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The Financial Times, July 26, 1975

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Egypt's army is ready—Sadat

President Sadat told UN Secretary-General Dr. Kurt Waldheim last night that Egypt expects an Israeli pullback to begin before the latest UN peacekeeping mandate expires on October 24. Later, in a televised speech, Mr. Sadat said: "We now have the upper hand and it does not matter to us whether a certain step fails or succeeds—our armed forces are ready and we have full confidence in ourselves."

In Israel, Premier Yitzhak Rabin had earlier warned that Israel would not negotiate against deadlines. He said the latest Egyptian proposal was substantially unacceptable and that present contacts aimed at changing the relationship between the two countries. An Israeli withdrawal of 25 miles was being considered.

Earlier the Israel Government, which had wanted a six months' renewal of the mandate, criticised the Security Council for having praised the Egyptian decision. But Israel reduced its military alert in Sinai.
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Twelve months for IRA chief

Provisional IRA chief Mr. David O'Connell was jailed for a year by Ireland's Special Criminal Court for belonging to an illegal organisation. Giles Merritt reports from Dublin. General reaction there to Mr. Merlyn Rees's statement, that he hopes to release the remaining 246 Ulster detainees by Christmas, has been that the ceasefire will probably last until then.

Apollo crew in hospital

The three Apollo astronauts, who inhaled yellowish fumes as their space cabin returned to earth on Thursday, were transferred to hospital after arriving at Peal Habour. A doctor said "there is no immediate danger."

Lisbon unity plea

President Costa Gomes of Portugal, in a major speech to the Armed Forces General Assembly, pleaded for a slowdown in the revolution and made a bid for unity in the Army and the country. But Left-wing Premier General Goncalves is still under pressure to resign. Back Page

Concorde move fails

U.S. opponents of Concorde suffered a setback when the Senate rejected a move to ban the use of federal air traffic personnel in Concorde operations. Page 13

Volumes of evidence

Lord Widgery, the Lord Chief Justice, was shown copies of books by Mr. Harold Wilson, Mr. James Callaghan, Mr. Michael Foot, Lord Avon and other politicians in the hearing on the case of the Crossman Diaries. Counsel for the Sunday Times claimed that Mr. Wilson's memoirs breached the Cabinet secrecy rules more than 50 times.
Page 11

Journalist jailed

Indian police arrested Mr. Kuldip Nayar, one of the country's most prominent journalists

Briefly . . .

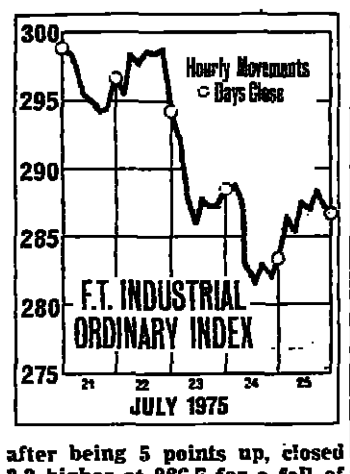
Mr. John Stonehouse, MP, now on remand at Brixton prison, has tabled a Commons motion complaining about statements by Mr. George Strauss, chairman of the select committee which examined his case. Page 13

Grundy is a strong contender in to-day's big race at Ascot, writes Dominic Wigan (page 18), and his victory would be a success for social democracy, writes Michael Thompson-Noel (page 4).

BUSINESS

Equities trim loss on week to 12.2

● EQUITIES remained subdued, while the week's daily average of 4,795 official markings was the lowest so far this year. The FT 30-share index,



after being 5 points up, closed 3.3 higher at 286.7 for a fall of 12.2 on the week and 26.9 on the Account.

● GILTS hardened, with gains to ½ in shorts and mediums and to ⅝ in longs.

● STERLING fell 10 points to \$2.1790. Its weighted depreciation was 25.9 per cent. (25.8). Dollar's was 3.59 (3.52).

● GOLD rose \$1.05 to \$166.30.

● TREASURY BILL rate rose to 10.4407 per cent. (9.4493).

● WALL STREET lost 6.18 at 834.09 with trading down at 15.11m. shares (20.55m.).

British Rail may cut branch lines

● BRITISH RAIL may close "lightly used" lines but there is no question of mass closures, despite its cost-cutting measures, said Mr. Richard Marsh, chairman.
Back Page

● THE GOVERNMENT may take tougher action to prevent orders for North Sea oil production platforms being placed with Continental groups.
Page 15

● CBI Director-General Mr. Campbell Adamson warned in Cardiff that the Government must resist any pressure to take drastic action to cut unemployment.
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● CAMPAIGN, the Haymarket Press advertising industry publication, is to take over Adweek, its major rival, owned by Mercury House.
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● BRUSSELS COMMISSION has approved proposals to set up a European Export Bank to finance high-value orders for third countries in which at least two member states' companies are involved.
Page 13

U.K. puts 'quota' on £260 sugar

● THE U.K. has told its traditional sugar suppliers that it is willing to take some 100,000 tonnes a month for the rest of 1975 at the guaranteed premium price of £260 a metric tonne.
Back Page

● PLATINUM minimum price from Rustenburg Mines rose \$15 to the April level of \$170 (£79) a troy ounce, Johnson Matthey announced.

● IRELAND'S Central Bank called on the Dublin Government to introduce a pay pause and demanded that the country accept a fall in real incomes over the next 18 months.

● LINBY COLLIERY, Notts., is to have a £2m. "face-lift," the National Coal Board announced.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 10½pc 1978	£97	+ ⅛
Treasury 12¾pc 1995	£93⅞	+ ¼
Assed. P. Cement	126	+ 4
Barclays Bank	245	+ 5
Bensons Intl. Systems	180	+ 5
Commercial Union	147	+ 6
Decca "A"	174	+ 4
Furness Withy	238	+ 15
Haslemere Estates	171	+ 6
Inchcape	353	+ 10
Keyser Ulmann	48	+ 8
Marks and Spencer	98	+ 4
Midland Bank	230	+ 7
Pilkington Bros.	199	+ 4
Quality Cleaners	84	+ 28
Rank Org. "A"	133	+ 7
Reckitt and Colman	295	+ 5
Sun Alliance	382	+ 7
Tube Invs.	236	+ 4
Young Austen Young	49	+ 4
Ayer Hitam	128	+ 3
East Drie.	970	+ 10
East Rand Prop.	990	+ 30
Kinross	680	+ 10
Vaal Reefs	£27¾	+ 1
Winkelhaak	£10¾	+ ½

FALLS

AAH	112	− 4
Casket (S.)	32	− 6
Davy Intnl.	87	− 4
Francis Parker	5	− 3
Jarvis (J.)	93	− 5
Laing (J.) "A"	104	− 5
Lampa Secs.	48	− 5
MEPC	83	− 5
OK Bazaars "A"	820	− 20
Photo-Me Intnl.	75	− 5
Vincent (H.)	72½	− 12½
Thiess Holdings	215	− 15
Utah Mining	750	− 25

Clearing banks may feel pressure of 1% MLR increase

BY MICHAEL BLANDEN

The Bank of England's minimum lending rate jumped by a full 1 per cent. to 11 per cent. yesterday following the strong pointer given by the Bank on Tuesday that it wanted a sharp upward adjustment in short-term rates.

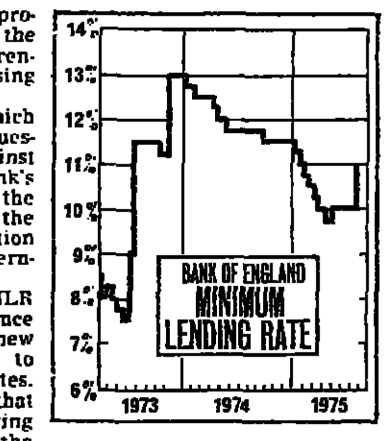
The move is designed to protect the external position of the pound by restoring the differential of London rates over rising levels in the U.S.

The size of the increase, which was strongly indicated on Tuesday, came as a surprise against the background of the Bank's recent gentle handling of the markets and its need to keep the gilt-edged market in condition to absorb a flow of new Government stocks.

The rise, which takes MLR back to levels not seen since early February, could bring new pressure on the big banks to raise their own lending rates. Yesterday the signs were that they would wait before making any decision but felt that the pressure could work through to them.

For the time being their position is relatively compatible. The banks have enjoyed a solid inflow of funds and their industrial lending is still depressed. The banks appear to be aware that the authorities do not intend the move to have a major domestic impact and are perhaps hoping that it will be necessary to hold rates at this level only temporarily.

Sir Eric Faulkner, chairman of Lloyds Bank, said yesterday that he saw no commercial grounds for increasing base rates. But National Westminster Bank said that "careful consideration" would be given to



the need for some adjustment to base and deposit rates—currently 9½ and 6½ per cent.—now that the money market level of rates had been confirmed for the time being.

The building societies, however, took the situation calmly, pointing out that with the recent inflow of funds and high liquidity levels they should not be under immediate pressure

The Bank's move to engineer higher rates has already made a marked impact in the money markets, with rates rising sharply, and the move initially hit the gilt-edged market. Yesterday, however, gilt-edged stocks showed an improvement, helped by the absence of any announcement of a new long "tap" stock to replace the issue which was virtually exhausted last week. Long stocks gained up to ½ and shorts up to ¼, with the Financial Times Government securities index up 0.26 to 60.49.

Foreign exchange markets were also quiet, with sterling losing a little ground at \$2.1790, down 10 points, and with its weighted average depreciation from December 1971 levels at 25.9 per cent. against 25.8.

The pound has in any case been performing quite well since the announcement of the Government's anti-inflation package, compared with the depreciation of 28.9 per cent. which it reached at its lowest closing level just before that news. Since Wednesday it has been better than the 26 per cent. depreciation mark for the first time since mid-June.

The jump in rates has restored the differential over dollar rates —without, it is felt, the crisis mood which might have been engendered if the authorities had sidestepped the normal process of setting MLR in relation to the weekly Treasury bill rate and had announced an increase independently.

There are some signs that the U.S. rise in rates could be slowing down. Yesterday, however, another leading New York bank, Chase Manhattan, lifted its prime rate from 7¼ to 7½ per cent.

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Government approves City rescue of Fodens

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE GOVERNMENT, which only a few months ago was talking of taking a "substantial" equity stake in Fodens, has acquiesced in an alternative rescue operation mounted by the City.

The deal comes at a time of intense debate about the rôle of City institutions in "rescue" operations. It involves a reorganisation of Fodens' management, a £3m. rights issue, and the cancellation of the Department of Industry's £2m. loan guarantee—the first time the Government has withdrawn from such a rescue.

At the same time Fodens, which is trading at a loss, despite a £946,000 pre-tax profit last year, will be given overdraft facilities of £6m.

At least 22 institutions, about half of them already shareholders in Fodens, are helping to underwrite the issue—presented in the shape of convertible preference shares which, on full conversion, could give them a 60 per cent. stake in the company.

It will also mean a substantial investment by County Bank, Fodens' merchant banker and a subsidiary of National Westminster—the clearing bank which only seven months ago precipitated the crisis in the Cheshire-based truck company by refusing to grant further overdraft facilities.

County Bank, lead underwriter for the rights issue, was yesterday at pains to stress that there had been no collusion between itself and NatWest in the move to find a private sector solution to the company's financial problems.

The detailed work on putting such a deal together had been done since May, said Mr. John Impey, a director of County Bank. It was then—before Mr. Anthony Wedgwood Benn moved from the Department of Industry—that the Government seemed to have a change of heart about the organisation of the rescue, he said.

In the meantime, the improvement in the capital market had made it possible to make a rights issue.

Asked whether he thought NatWest had been wrong to "pull out the plug" in January, Mr. Impey said: "How can I judge my superiors? I have no influence on what my parent company does."

Recommendation

As late as noon yesterday there were doubts that the scheme would be successful, although earlier this week it appears there was pressure from influential voices in the City to push through the deal. Only two of the existing institutional shareholders turned down the offer to participate in the underwriting.

In its letter to shareholders, the Fodens Board recommends shareholders to accept the offer, but warns: "Shareholders should take into account that, while the Board has confidence in the future of the company, conditions will be difficult until there is a substantial upturn in demand for heavy vehicles."

Explaining this paragraph, chairman Mr. William Foden said investors must be prepared to take a long-term view of the company's prospects. He himself had "not got enough money" to take up his rights.

Mr. Foden, while remaining chief executive of the company, will give way to a non-executive chairman under the reorganisation. A finance director will also be appointed.

The company's report for the year ended March 1975, published yesterday, shows turnover up from £22.6m. to £28.3m., and profits up from £230,000 to £946,000.

Overseas revenue increased 60 per cent. to £6.6m., but despite a continuing healthy export trade the company has slipped into losses.

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Midland and Lloyds profits fall

BY MICHAEL BLANDEN

BANK SHARE prices improved yesterday in spite of the disclosure of sharp profit falls by two more big clearing banks.

Midland and Lloyds announced setbacks of about 38 per cent. in their pre-tax profits in the first half of this year compared with the same period of last year, after the drop published this week by National Westminster.

Midland shares, however, ended the day with a 2p gain at 230p and Lloyds were 2p up at 190p. Barclays, which is due to produce its half-year figures next week, was 5p higher at 245p.

The market has been helped, it is thought, by the absence of any announcement from Lloyds of a rights issue to shareholders. The issue had been widely anticipated, particularly in the light of expected calls on the bank's funds in relation to its involvement in Grindlays Bank.

At the same time, compared with NatWest's extra £18m. of special provisions at the half-way stage, Lloyds has seen no need to make any further special provisions against lending after last year's £13m. and the £28.5m. set aside to cover the Lugano foreign exchange losses.

Midland has made an additional provision against advances of only £2.5m. in the half year, compared with £5m. in each half of last year.

The Midland figures showed a pre-tax profit of £41.49m., compared with £66.86m. in the first half of last year, but well up on the £29.37m. recorded in the second half of last year. Lloyds announced a total of £47.38m. before tax, against £75.92m.

Commenting on their results, the banks drew attention to the lower level of interest rates during the period, the slacker demand for advances and the sharp rise in staff and other costs. Lloyds added that its earnings from international business were "well maintained."

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FEATURES

FT SURVEY

ON OTHER PAGES

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Pay law and strikers agreement

By John Bourne, Lobby Editor

AFTER SEVERAL days of trying to reach a compromise over the wording of the draft reserve powers Bill, Economic Ministers have now virtually agreed that legislation may not be able to be drafted completely absolving strikers, or workers threatening industrial action, from civil court proceedings by their employers.

Mr. Denis Healey, Chancellor of the Exchequer, who said in the Commons that protecting workers from injunctions and possible contempt of court proceedings was one of the drafting points still under consideration and who was believed to have regarded the problem as insoluble, is understood to have accepted the new formula.

Mr. Michael Foot's Department of Employment, which does not want the Bill published anyway because it would make the present policy clearly statutory —at least until after the TUC Congress and the Labour Party conference in the autumn—is understood to have reluctantly agreed.

The Commons yesterday afternoon completed its second longest continuous sitting since the Second World War—more than 26 hours—to complete the committee stage of its Remuneration Charges and Grants Bill supporting the £6 pay limit. The Bill was unchanged. As a result normal business—two EEC debates—was lost.
Details, Page 13

The likelihood, therefore, is that any reserve powers Bill would protect employees from criminal actions, particularly those involving conspiracy but would also seek to extend some protection to them against civil actions.

The draft Bill has not yet gone to the legislation committee of the Cabinet.

Meanwhile, the struggle is continuing between the Treasury and Left-wing Ministers about how to present the Bill in propaganda terms if and when it has to be published.

Left-wingers accused the Treasury of wanting to emphasise "the wrath of the law," and argue that this could be unnecessary, particularly in view of the effect of the rise in unemployment on trade unionists.

An example of the propaganda struggle is the leak, on the one hand, that fines against employers for breaching the wage policy would be unlimited, and on the other, that fines would be restricted to several hundred pounds.

The explanation is that the draft Bill contains two grades of penalty, and each camp is choosing the one which best suits its case.

Turkey stops operations at U.S. bases

BY METIN MUNIR

ANKARA, July 25.

THE TURKISH Government to-night abrogated all Turkey's military agreements with the U.S. and stopped the activities of all the U.S. bases here.

The announcement was contained in a bulletin by Mr. Seleyman Demirel, the Prime Minister, from the Cabinet room to the Turkish radio and television corporation, which interrupted its regular programmes to broadcast it.

The announcement said that in view of the American arms embargo on Turkey the 1969 Defence Co-operation agreement between the two countries "has lost its validity." All the American bases in Turkey would halt their operations, starting from to-morrow.

The only exception would be the major Incirlik air base in Adana, which houses a squadron of U.S. Phantom jet fighters, in south-eastern Turkey, which would be permitted to continue its operations "exclusively for NATO business."

The Government announcement said that the bases would come under Turkish Army control and observation starting from to-morrow.

Despite appeals by President Ford the U.S. House of Representatives yesterday voted by a 17 majority to continue the arms embargo on Turkey. This was imposed last February because of Turkey's role in last year's Cyprus war.

The U.S. Embassy here had no comment, but American diplomats privately said the Turkish decision had not surpised them. "We knew it was coming," one said.

Early warning

The bilateral defence agreement between Turkey and the U.S. covers operation of two dozen bases in Turkey which, although legally under Turkish command are run by Americans.

The bases monitor troop movements in the Soviet Union and are intended to provide the U.S. with early warning of any possible Soviet nuclear attack.

Our foreign staff writes: The swiftness of the Turkish decision does come as a surprise. Prime Minister Demirel had warned the U.S. as long ago as June 17 that Turkey wanted to renegotiate the status of the U.S. bases, and that if after 30 days from that date there was no agreement a "provisional status" would automatically come into effect But on July 17 Turkey said she was deferring immediate action.

Dr. Henry Kissinger, U.S. Secretary of State, said at a news conference thta he had spoken to Mr Demirel to urge him not to take any hasty action after the vote in the House of Representatives against lifting the ban on U.S. arms to Turkey.

He and President Ford have been in prolonged negotiations with Congress, and in particular the House of Representatives, where opposition to Turkey over her military operations in Cyprus has been strongest.

The compromise that the Ford Administration had hoped to get through both Houses of Congress —it had already passed the Senate—would have allowed Turkey to collect some \$70m. worth of equipment bought before the embargo took effect. The compromise would also have allowed the Turks to buy further military supplies from private American contractors out of her own pocket. But even this compromise was not enough for the Greek lobby in the House.

Arms ban

Although there is scarcely a shred of evidence that the arms ban has changed the Turkish position on Cyprus, its effect on the Turkish Armed Services over the past five months has been severely felt especially as regards the Turkish Air Force which needs a constant flow of spare parts to keep their totally American-supplied force flying. The Turks have reacted to the five-month ban by attempting to build up their own defence industry, and shopping around; they have shown keen interest, for example, in the Anglo-French Jaguar.

The Incirlik air base, where the Turks have allowed the U.S. to continue control, is used extensively by the U.S. Strategic Air Command, the nuclear bomber force.

Many of the other bases over which the Turks have now assumed total control contain Intelligence-gathering equipment extremely valuable to NATO and the U.S.. Turkey is the only NATO country directly bordering Russia.

Earlier this month Turkey and the Soviet Union signed a \$700m. credit deal, their biggest ever, and an official statement said that it marked "a new level in the friendliness and good-neighbourliness between the two countries."

£ in New York

	July 25	Previous
Spot	\$2.1715-1725	\$2.1785-1795
1 month	–	0.75-0.67 dis
3 months	2.05-1.85 dis	2.09-2.04 dis
12 months	7.70-7.50 dis	7.95-7.85 dis

The week in London and New York

The Bank takes the shine off gilts

Gilts took Thursday's recovery a tiny step further yesterday and equities managed a modest upturn too. But the air of uncertainty created in markets earlier this week—when it became known that the authorities were contemplating a rise in interest rates—still lingers.

Short-term interest rates in *the U.S. have been moving* higher for some time now, and the Bank of England—mindful of the need to protect sterling —*clearly indicated on Tuesday* that its Minimum Lending Rate was about to be raised. That prospect threw the gilt market into some confusion—especially following the high level of gilt sales seen this month—from which it has still not fully recovered. Sterling naturally has had a very steady week with a trade weighted depreciation easing back from 26.6 per cent. to 25.8 per cent., against a worst ever 29.2 per cent. just four weeks ago.

As for equities, the 30-Share Index has ended the week 12.2 points lower 286.7 for a fall

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 26

	% Rise
Toys and Games	+6.3
Hire Purchase	+5.3
Discount Houses	+0.8
Household Goods	+0.5
	% Fall
Oils	−1.2
Tobaccos	−1.9

THE WORST PERFORMERS

	% Fall
All-Share Index	−5.4
Food Manufacturing	−9.0
Contracting & Construction	−9.6
Office Equipment	−11.0
Machine & Other Tools	−11.1
Property	−14.5
Wines & Spirits	−16.2

over the account of 26.9. The property sector took a dive on Thursday—falling no less than 11 per cent. in two days—following a £21m. funding (in convertible) from Land Securities. And the banks have been particularly weak with NatWest getting the clearers' interim profits season off to a bad start. NatWest's profits were right at the bottom end of the analysts' forecast range, and this pattern was continued yesterday when the Midland and Lloyds announced their half-timers (see Lex for detailed comment). Barclays reports next Thursday.

Yesterday's modest rally was not accompanied by any real volume of business, and for most of this week daily bargains have been under 5,000. Actual volume has averaged at less than £50m. daily, against an average of around £200m. in the week *following the April Budget.*

Rank creates another stir

Rank Organisation's decision to delay its half-time results for one day on Monday created a minor flood of rumour and counter rumour concerning the company's financial standing. The air was very quickly cleared—with Xerox, Rank's partner in Rank-Xerox, giving the explanation in New York the same day by announcing its withdrawal from mainframe com*puter operations—but* in the event the Rank results still proved disappointing.

For the six months group profits fell from £30m. to £29.1m. pre-tax with the non-Xerox activities in the red and growth at Rank-Xerox slowing. Even in sterling terms Rank's share of RX for the half-year is just 2 per cent. higher. Placements of new units have probably been below budget for nearly 12 months and the present sluggish demand in Europe suggests that there are very few chances of an improvement in the short-term. However, Rank itself remains fairly optimistic about group prospects and expects a modest rise in profits during the current half-year — before unquantified provisions for write-offs in *mainframe computers.*

The losses on the non-Xerox operations totalled £2.2m. pre-tax for the *six months. This* half Butlins should at least hold its own and there will be useful savings in interest costs. But it seems unlikely that Rank's non-Xerox operations can emerge into profits this year.

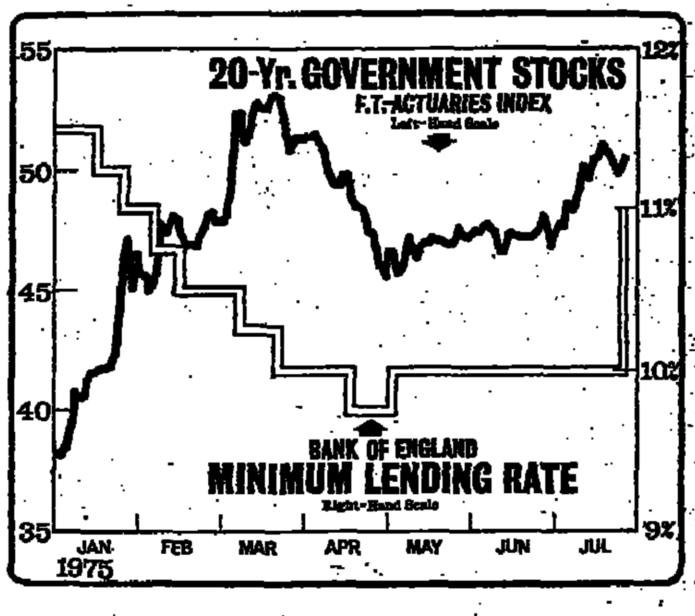
The slump in demand for office equipment has also left its mark on Gestetner. First half profits here were some 5 per cent. lower which is roughly in line with the forecast made at the time of the May rights issue. Some areas are especially patchy, but since Gestetner specialises in a low cost range of products it does have some defensive qualities. And the recovery from a loss-making position at the recently acquired Rex-Rotary is expected to gain pace in the second half.

BP sets the placing pace

The biggest placing ever—$1.75bn. in notes at 10⅝ per cent.—was announced this week by British Petroleum in conjunction with its associate, Sohio. The significance of this funding is that it was achieved with such ease. The original placing was to have been $750m. but such was the eager response from the U.S. institutions that *the figure was upped first to* $1¼bn. and finally to $1¾bn. This reflects the U.S. Bankers' faith firstly in B.P. and, *secondly,* in the North Slope of Alaska.

This should finally dispel any doubts at home about B.P.'s ability to finance its exploration. The group is now virtually covered for cash outlay in both the North Sea and Alaska, without any excessive pressure on the balance sheet. The U.S. placing is "on balance sheet" financing and it is estimated that BP's debt will now rise from being a third of capital employed to around 40 per cent. Group cash flow is likely to receive some sort of boost in October when the first returns from the Forties Field start to come in; it should, however, take around eighteen months for this to reach its peak.

BP's statement about its share of the Ninian Field reserves (put at 140m. barrels) has led some outsiders to downgrade their estimates as to the overall size of the field; against earlier projections of 1.2bn. barrels some estimates are now down to nearer 840m. However, the structure of Ninian is extremely complex and it is difficult to draw precise conclusions about the field's total worth from estimates of any one individual stake.



Overseas traders

Thursday's relatively optimistic noises from Inchcape came in sharp contrast to the statements earlier this week from Harrisons and Crosfield and Guthrie; but that has not stopped the overseas trading sector from edging lower. Harrisons and Sime Darby had both dropped a tenth by Thursday, and whatever the short-term fluctuations of soft commodities — boosted lately by speculation in wheat markets — the general background is still very depressed.

Guthrie's earnings disappointed last year (a sharp setback in the U.K. aggravated slowing com*modity profits) and the group* was far from optimistic at this week's annual general meeting. Shareholders received much the *same story from Harrisons* whose profits this year are running at lower levels. The two, of course, are heavily dependent *on primary production whereas* Inchcape's problem lies more with coping with the shifts in wealth in the countries concerned. *In 1974-75* the group's profits eased 7 per cent. pre-tax but the second half took in a decline of 35 per cent. so the hopeful note sounded on prospects took on special significance. Inchcape reckons that by the latter part of 1975-76 it will have enough areas of recovery underway to keep profits overall more or less all-square. Its yield of 3 per cent. compares with 4.7 per cent. for the sector.

Building blues

Our construction index was pushed out of top place in the actuaries sector ratings earlier *this month,* and the performance this week by one of the blue-chips in the field—Taylor Woodrow—helps explain why. Tuesday saw TW emerge with interim 1974-75 profits up 31 per cent. pre-tax, and the group is *clearly going for another year* of very solid growth with an overall rise from £10½m. to, say, £13½m. in prospect. But this *week the shares have fallen* a tenth. TW's overseas content (over 50 per cent of profits currently) is the sort of cushion against U.K. public expenditure cuts and general recessionary forces that most companies in the construction sector would likely give back teeth for. However, even TW is now beginning to run out of volume growth and that is going to mean a fall in profits next year. The sector is still showing gains of 146 per cent. since January—despite a considerable amount of investors switching over the past couple of weeks.

Onlooker

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1975 High	1975 Low	
F.T. Ind. Ord. Index	286.7	−12.2	365.3	146.0	Economic and political uncertainties
Treasury 10½% 1979	£96¼	− 1½	£100 1/16	£95 11/16	Dearer money fears
Allen Harvey & Ross	280	−20	400	190	Dearer money fears
Bensons Intl. Systems	180	+78	180	55	Bid from Esselte of Sweden
"Bats"	293	−22	338	164	*Ahead of Tuesday's interim*
English Property	47½	−11	93	25	Faded bid hopes
Fashion & General	77	+13	80	37	Press comment
Gillett Bros.	153	+25	163	62	Favourable interim statement
Greening (N.)	31	+ 6½	32	7	Revised agreed bid—Johnson & FB
Howard Machinery	35	−12	82	28	"Rights" issue announcement
Inveresk	47½	− 6	73	33	Interim profits slump
Land Secs.	144	−27	251	79½	£21m. Conv. Loan "rights" offer
MEPC	83	−18	231	64	Interest rate fears
McCorquodale	164	−16	192	85	"Rights" issue announcement
NET	52	+ 9	58	21	Bid from Wm. Mallinson
National Westminster	202	−14	275	88	Disappointing interim results
Pancontinental	475	−55	530	220	Profit-taking
Selection Trust	505	−45	695	322	"Rights" issue fears
Taylor Woodrow	248	−26	314	68	Fears of public spending cuts
Thomson Organisation	159	−12	211	36	North Sea doubts

Nervous market

BY JAY PALMER NEW YORK, July 25.

ON THURSDAY morning this week, Wall Street opened to look back on six consecutive days of downturn in the Dow Jones industrial index. The drop, from the 1975 high of 881.81 to 836.67, stemmed largely from growing nervousness over monetary *policy in general and the course* of interest rates in particular. In addition the market has had to put up with the growing troubles *of New York City* and increasing evidence that only direct or indirect aid from the Federal Government can solve the municipal fiscal crisis.

While the DJ index moved slightly higher on Thursday, all the signs suggest that this is a *false* trend and that the market, as a whole, continues to fall off. The blue-chip components of the 30-share DJ index were virtually unique in moving higher when falling stock prices more than outnumbered rising ones. The more widely based indicators moved lower.

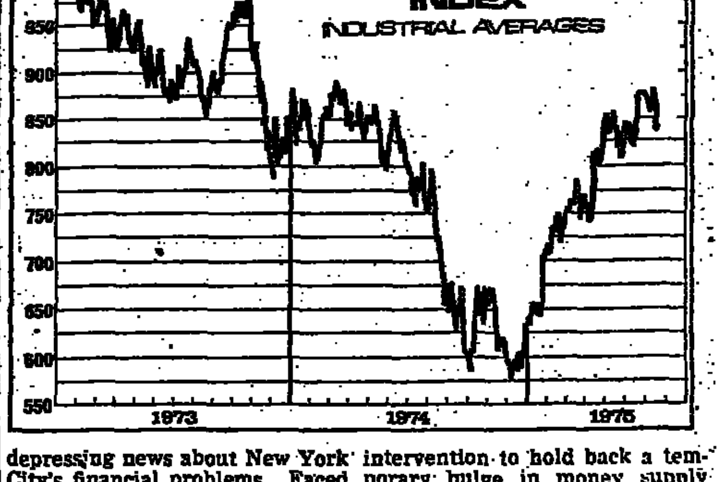
Throughout the whole of this week, every single day has brought fresh and even more depressing news about New York City's financial problems. Faced with a mid-August deadline of debt-default (or possibly even bankruptcy) New York has struggled without any success to come up with an economic austerity plan acceptable to both unions and desperately needed investors. At the same time the *banks have let it be known that* they have for the most part reached the limit of their once-seemingly open ended commitment to the City.

As far as the equity market is concerned, the impact of this is threehold. First, fears that the banking sector would be very badly hurt if in fact no one steps in to solve the crisis in time to avert debt-default; secondly, that the municipal problems have *worked to drive up* interest rates; and thirdly, realisation that the City's drive for funds in the debt markets have absorbed cash that might otherwise have been earmarked to fund corporate upturns.

For all this grim problem, most of Wall Street would agree that the biggest uncertainty centres on fears that the Federal Reserve might be forced, by continuing high unemployment, to overstimulate the economy and indirectly open the door to more double-digit inflation. The news from Alan Greenspan, chairman *of President Ford's* Council of Economic Advisers, on Wednesday that higher crop prices heralded a large jump in July wholesale prices did not calm fears.

On Thursday, following a week in which prime rates and most key short-term interest rates moved higher, Dr. Arthur Burns, the chairman of the Federal Reserve, confirmed that Fed intervention to hold back a temporary bulge in money supply had driven interest rates higher.

Wall Street has, by now, almost certainly discounted much of the economic recovery and consequently seems likely to remain excessivily vulnerable to such short-lived outside influences as the City's crisis, Arab-Israeli problems and detente.



DOW JONES INDUSTRIALS

	CLOSE.	CHANGE
MON.	854.74	−7.67
TUES.	846.76	−7.98
WED.	836.67	−10.09
THURS.	840.27	+3.60
FRI.	834.09	−6.18

MINES IN THE NEWS

A market in to-morrows

BY KENNETH MARSTON

TO-DAY'S MARKET in the various groupings of Mining shares, is still very much a market in hopes for the morrow. Otherwise, the current share prices levels can hardly be justified by the relatively low returns on investments in companies which are currently being squeezed between rising costs and falling revenue.

Given the hoped-for recovery in the U.S. economy next year, the prices of virtually all metals can be expected to move strongly ahead and, in view of the manner in which the world is making life more difficult for the extractive industries, the metal prices are never likely to return to to-day's low levels. But a good deal of patience will be needed on the part of investors.

Inco suffers

Meanwhile, Canada's giant *International Nickel* has reported a 31 per cent. fall in half-year earnings. In a nutshell, this has reflected sharply *lower sales of nickel—albeit* at slightly higher prices—a fall in sales of copper and the prices for that metal coupled with *the inevitable rise in* costs.

The recent Canadian wage settlement will push costs higher in the current half-year. On the other hand, Inco may well raise the producer price of nickel and the group looks like getting a higher price for its copper.

Metal prices alone are not the full story, of course; it is a question of how much metal you can sell and the recent recovery in copper has been based on a *relatively small amount of* short-term "investment" buying in a thin market and not on a genuine improvement in consumer demand. Still, Inco has shown its confidence in to-morrow by declaring a maintained third quarterly dividend of 35 cents.

Then we have had the U.S. multi-mineral Amax group announcing first-half earnings of $72.19m. against $78.21m. in the same period of 1974, which turned out to be a record year. While Amax has earned more from its interests in molybdenum, coal, potash and iron ore, its base-metal income has fallen.

Amax still expects to have a satisfactory year, however. Incidentally, the group's recent $333m. share deal with Standard Oil of California will have the effect of reducing Selection Trust's stake in Amax from 11.6 per cent. to 9.3 per cent.

Selection Trust also has fund-raising in mind, but does not intend to make the long-anticipated rights issue for the time being. The way is being prepared by a proposal in this week's annual report to increase the authorised capital from £6.25m. to £7.5m. in 25p shares.

In the current year Selection Trust should receive a larger contribution to profits from Consolidated African Selection Trust which is now a wholly-owned subsidiary while the North Sea and Australian iron ore interests should continue to do well.

The stakes

On the other hand base-metal income prospects are none too bright. In all, however, Selection Trust should do well enough and its trump cards for the future include the Brouillan copper-zinc-silver deposit in Canada and the Agnew proposition in Western Australia which awaits the kiss of life from the eventual recovery in the nickel market.

While race cards are now being studied for the likely winner of to-day's King George VI and Queen Elizabeth Diamond Stakes at De Beers' Diamond Day at Ascot—I am told that "Star Appeal" is fancied—De Beers itself has come second to the Botswana Government in the Stakes for the group's operations in that country.

It is, of course, a question of how the profits from the group's diamond operations there are to be shared with the Botswana Government. The answer, announced this week, is that the Government's take is to go up from around 57½ per cent. into the 65 per cent. to 70 per cent. range.

It could be worse, but the deal is hardly encouraging for other mining companies who face the financial risks of finding and starting a mining operation from grass roots and then have to do all the work. Not a happy augury, one feels, for the future of the ill-starred Botswana - RST nickel - copper operation there which is not only beset by technical problems but also is desperately in debt.

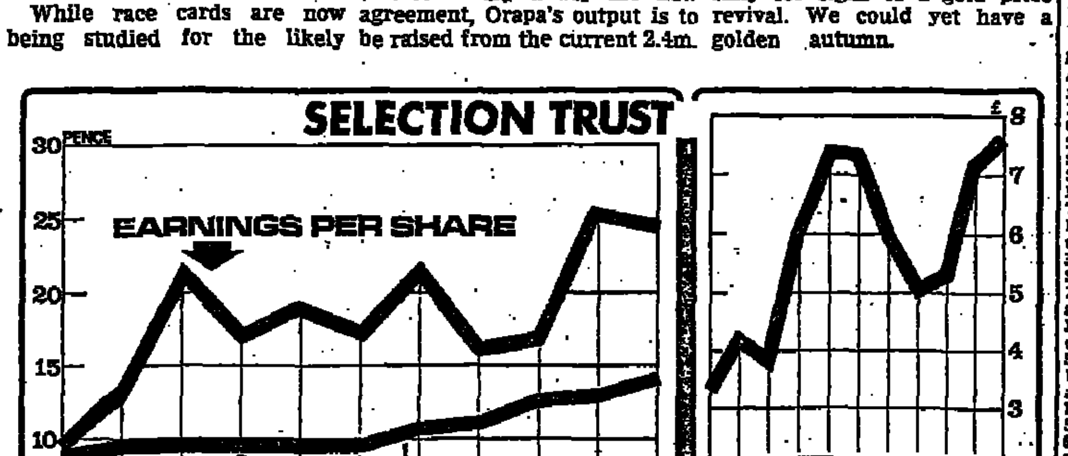
De Beers' existing Orapa mine in Botswana is one of the world's biggest in terms of caratage production but it is low grade in diamond quality terms with only 13 per cent. of output being in the gem class; the rest is in industrial quality stones. But diamonds are diamonds and under the new agreement, Orapa's output is to be raised from the current 2.4m. carats a year to 4.5m. carats, the additional production to come on stream early in 1979.

There are two other diamond deposits, or "pipes" as they are called, which lie some 40 kilometres away. Named DK/1 and DK/2, they are much smaller than Orapa but they have a bigger content of gems which goes some 40 per cent. Under the latest agreement they are to be opened up as one mine at the end of next year at an annual production rate of about 320,000 carats which will be lifted to 400,000 carats after three years.

Golden autumn?

Finally, what of gold? Is it also to-morrow's metal? I still have a sneaking feeling that with *world currencies in a* whirl, gold is quietly biding its time. Quietly, because the price has been held in check, but not depressed, by suspected sales made by the Soviet Union in order to find the funds for that country's purchase of wheat from the U.S.

If this theory is correct, the bullion price will be very responsive to the ending of these special sales. This column has been noticeably cool during the past few months about investment in Gold shares in view of the mines' problems of rising costs. It still is, but now the time has come to watch carefully for signs of a gold price revival. We could yet have a golden autumn.



TV Radio

† Indicates programme in black and white.

BBC 1

8.55 a.m. Teddy Edward. 9.00 The Mister Men. 9.10 The Brady Kids. 9.20 Play Away. 9.55 "The Cracksman," starring Charlie Drake. †11.45 "What A Crazy World," starring Joe Brown and Susan Maughan. 1.10 p.m. Weather.
1.15 Grandstand: Cycling from Leicester at 1.30, 3.30 and 4.00; Racing from Ascot at 1.50, 2.30, 3.05, 3.45; International Athletics from Gateshead, 2.10, 2.40, 4.00; *The Royal International Horse* Show from Wembley at 4.40; 5.00 Final Score.
5.10 Tom and Jerry.
5.25 News.
5.35 *Sport/Regional News.*
5.40 For My Next Trick.
6.05 Jim'll Fix It.
6.40 Robert Mitchum in "The Enemy Below."
8.15 Seaside Special visits Poole.
9.00 News.
9.15 The Royal International Horse Show.
10.25 That's Life with Esther Rantzen.
11.05 Eleventh Hour.
11.35 Ghost Story.

All regions as BBC 1 except at the following times:

Wales—9.30-9.55 a.m. Young Magician of the Year.

Scotland—†12.25 a.m. Scottish News Summary.

Northern Ireland—*5.25-5.30 p.m.* Northern Ireland News and Sport. 12.25 a.m. Northern Ireland News Headlines.

BBC 2

7.40 a.m. Open University.
†3.00 p.m. Saturday Cinema: "The Belles of St. *Trinians," starring Alastair* Sim with Joyce Grenfell.
6.55 Westminster.
7.25 News and Sport.
†7.40 Network.
8.10 Vienna 1900.
9.00 The National Dream.
9.40 2nd House 2nd Run.
10.35 News on 2.
10.40 Film Night.
11.10 The Old Grey Whistle Test.
†12.10 a.m. Mid-night Movie: "Passport to Shame," starring Diana Dors and Herbert Lom.

LONDON

9.20 a.m. Open Day. 9.45 Play a Tune with Ulf Goran. 10.10 Around The World In Eighty Days. 10.35 The London Week-End Show. 11.00 Junior Police Five. 11.10 Rock On With 45. 11.35 Randall and Hopkirk (Deceased).
12.30 p.m. World of Sport: 12.35 International Sports Special (part 1) Cycling—The Tour de France plus Athletics—The U.S. v West Germany v Africa, from North Carolina; 1.10 News from ITN, followed by the Australian Pools Check; 1.20 the ITV Seven—*1.30, 2.00, 2.30* and *3.00* from Ayr; 1.45, 2.15 and 2.45 from Newcastle; 3.10 International Sports Special (part 2) World Swimming Championships; 4.00 Wrestling; 4.55 Results Service.
5.10 News from ITN.
5.20 Love and Marriage.
6.05 Sale of the Century.
6.35 Adventure Film: "The Wild And The Innocent," starring Audie Murphy.
8.15 Crown Court.
9.30 News.
9.45 Wheeltappers and Shunters Social Club.
†10.30 "Lady Hamilton," starring Vivien Leigh and Laurence Olivier.
12.30 a.m. WAS with Edward Blishen and David Baiches.

All ITV regions as London except at the following times:

ANGLIA

9.00 a.m. Open Day. 9.25 Play a Tune. 9.50 Woobinda—Animal Doctor. 10.15 The Saturday Morning Film: "Papa's Delicate Condition," starring Glynnis Johns. 12.00 The Woody Woodpecker Show. 6.05 p.m. *The Saturday Night Film:* "Town Tamer," starring Dana Andrews. 7.05 Sale of the Century. †10.30 The Saturday Late Film: "Johnny Cool," starring Henry Silva. 12.35 a.m. At The End of the Day.

ATV MIDLANDS

9.15 a.m. Gardening Today. 10.10 Tiswas. 5.20 p.m. Cartoons. 5.30 The Saturday Western: "Young Guns of Texas," starring James Mitchum and Alan Ladd. 7.00 Sale of the Century 7.30 Love and Marriage. 10.30 The Late Movie: "The Fox," starring Anne Heywood.

BORDER

9.15 a.m. Gardening Today. 9.45 Chess Masterpieces. 10.00 Open Day. 10.25 The Bark Family. 10.30 The Yellow House. 11.00 Tarzan. 12.00 Zigzag. †6.35 p.m. Saturday Film: "Two Way Stretch," starring Peter Sellers, Bernard Cribbins and David Lodge. †10.45 Late Night Film: "The Killer is Loose," starring Joseph Cotten.

CHANNEL

5.20 p.m. Sale of the Century. 5.50 Love and Marriage. 6.30 Curtain Raiser. 6.35 The Saturday Film: "The Red Beret." 10.30 Who Matters? 10.35 The Late Movie: "Dr. Blood's Coffin."

GRAMPIAN

10.15 a.m. Junior Movie: "Captain Pirate," starring Louis Hayward and Patricia Medina. 11.45 Isla's Island. 5.20 Cartoon. 5.30 p.m. Saturday Cinema: "The River's Edge," starring Ray Milland. 7.00 Sale of the Century 7.30 Love and Marriage. 10.30 Late Movie: "The Hand of Night." 12.10 a.m. Evening Prayers.

GRANADA

9.15 a.m. Open Day. 10.10 Cartoon Time. †10.20 Saturday Matinee: "Doctor in the House." 12.00 Shang A Lang. 6.05 p.m. The Big Film: "Virgin Island," starring John Cassavetes, Virginia Maskell and Sidney Poitier. 7.40 Sale of the Century. 10.30 For Adults Only: "You'll Never See Me Again." 11.50 Spyforce.

HTV

10.00 a.m. Play A Tune. 10.30 Sesame Street. 11.30 Orbit. 12.00 Zigzag. 5.20 p.m. The Merrie Melodies Show. 5.45 "Tarzan's Three Challenges." 7.30 Love and Marriage. †10.30 The Korda Classics: "The Ghost Goes West," starring Robert Donat.

HTV Cymru/Wales—As HTV General Service except: 5.20-5.45 p.m. Sion A Sian.

SCOTTISH

10.05 a.m. Play A Tune. 10.30 The Way We Live. †11.00 Feature Film: "Abbott and Costello Meet the Killer." 5.15 p.m. *Sale of the Century.* 5.45 *Shang A Lang.* 6.15 Feature Film: "Dead Man's Evidence" (repeat). 7.30 Love and Marriage. 10.30 Late Call. †10.35 Korda Classics: "Things to Come," starring Raymond Massey, Cedric Hardwicke, Margaretta Scott and Ralph Richardson.

SOUTHERN

9.15 a.m. Play With A Purpose. 9.40 Play A Tune. 10.10 Regional weather forecast. 10.15 Woody Woodpecker. 10.25 London Bridge. 10.55 Rock On With 45. 11.20 Inner Space. 11.50 The Lone Ranger. 12.15 p.m. Southsport. 5.20 Sale of the Century. 5.50 Love and Marriage. 6.35 The Saturday Film: "Chubasco," starring Christopher Jones and Susan Strasberg. 10.30 Southern News Extra. 10.35 The Late Saturday Film: "Fanatic," starring Tallulah Bankhead.

TYNE TEES

9.25 a.m. Here Lies. 9.35 Play a Tune. 10.00 Open Day. 10.25 Saturday Morning Cinema: "Probe," starring Hugh O'Brian and Elke Sommer. 12.00 Woobinda. 6.35 p.m. The Main Feature: "Lure of the Wilderness," starring Jean Peters. †10.30 Movie Through Midnight: "The Ceremony," starring Laurence Harvey and Sarah Miles. 12.30 a.m. "My Mother's Sister," by C. Day-Lewis, read by Jane Arrowsmith.

ULSTER

11.30 a.m. Sesame Street. 6.35 p.m. Room 222. 7.05 Cartoon. 7.15 The Baron. 8.10 Summer Sport. 10.30 The Late Film: "Assignment Munich."

WESTWARD

9.00 a.m. Gardening Today. 9.25 Play a Tune. 9.50 Sesame Street. 10.50 Rock On With '45. 11.20 Tarzan. 12.10 p.m. Look and See. 12.15 Cartoon Time. 12.25 Gus Honeybun's Birthdays. 5.20 Sale of the Century. 5.50 *Love and Marriage.* 6.30 Curtain Raiser. †6.35 The Saturday Film: "The Red Beret," starring Alan Ladd and Leo Genn. 10.30 Who Matters? 10.35 The Late Movie: "Dr. Blood's Coffin," starring Kieron Moore and Ian Hunter. 12.10 a.m. Faith for Life.

YORKSHIRE

10.00 Open Day. 10.25 Saturday Morning Cinema: "Probe," starring Hugh O'Brian, Elke Sommer and John Gielgud. 12.00 The Osmonds. 6.35 p.m. The Main Feature: "Lure of the Wilderness," starring Jean Peters. †10.30 Movie Through Midnight: "The Ceremony," starring Laurence Harvey and Sarah Miles.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 8.06 Ed Stewart (also on VHF) with Junior Choice (S). 8.45 Headline Spotters. 10.00 Dave Lee Travis. 1.00 p.m. Peter Skellern's Top Twelve (S) also on VHF. 2.00 Alan Freeman (S) also on VHF. 5.00 John Peel (S) also on VHF. 6.30 In Concert (S) also on VHF. 7.30-12.33 a.m. As Radio 2

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tom Edwards (S). 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Charlie Chester with your Smiling Saturday Show (S). 12.02 p.m. Two's Best (S). 1.02 The Gag-Crackers' Ball. 1,500m only (also 202m Scotland) VHF joins Radio 1. 1.30-5.55 Sport on 2 1500m only (also 202m Scotland) VHF joins Radio 1. Cricket at 1.30, 2.10, 2.40, 3.25, Australian Touring Team v *Leicestershire; Warwickshire v* Essex; and Surrey v Yorkshire; International Show Jumping at 1.30 2.10, 2.40, 3.25 from Royal International Horse Show; Racing from Ascot at 1.30, 2.00, 2.30, 3.15 plus results from other meetings and classified check at 5.40; Cycling at 1.30, 2.10, 2.40, 3.25, British Track Championships reports; News of the World Swimming Championships, motor racing, Finnish Grand Prix, international athletics, *The Queen's Prize at Bisley,* English Amateur Golf Championship, Scandinavian Open Golf Championship. 6.03 In Town Tonight. 1,500m only (also 202m Scotland) VHF joins Radio 1. 7.02 Listen To Les. 1,500m only (also 202m Scotland) VHF joins Radio 1. 7.30 Sports Desk. 7.32 Radio 2 Top Tunes of the week (S). 8.30 Saturday Night with the BBC Radio Orchestra (S). 10.02 European Pop Jury. 11.02 Sports Desk. 11.05 Ray Moore with Music Through Midnight (S) including at 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

8.00 a.m. News. 8.05 Saturday Overture (S). 9.00 News. 9.05 The Modern Virtuoso: Mstislav Rostropovich (S). 10.40 BBC Scottish Symphony Orchestra: Mozart, Saint-Saens, Brahms (S). 12.02 p.m. Stereo Release: Mendelssohn (S). 12.55 News. 1.00 The Young Idea (S). 2.00 Man of Action: Ludovic Kennedy (S). 3.00 Matinee Musicale (S). 4.00 Brahms (S). 5.25 Jazz Record Requests *(S). 6.10 Bach (S). 6.40 Critics' Forum.* 7.30 Proms: Viennese Night, part 1: Mozart, Beethoven (S). 8.30 Personal View by Lord Ashby. 8.50 Proms, part 2: Johann Strauss, Josef Strauss, Johann Strauss II (S). 9.55 Foreign Press Review. 10.20 A Deep Pulsing of the Spirit, assessment of the life and works of Antonio Machado (1875-1939) (S). 10.55 Szymanowski (S). 11.25 News.

Radio 3 VHF only—6.00-8.00 a.m. Open

RADIO 4

434m, 330m, 285m and VHF

‡ Medium Wave only.

6.30 a.m. News. 6.32 Farming Today. *6.50 Outlook. VHF Regional News.* 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Outlook. 7.50 Today, including at ‡7.50 Keep Fit for All the Family, or VHF Regional News. 7.55 Weather and programme news. 8.00 News and more of Today with Sportsdesk at 8.30. 8.45 Yesterday in Parliament. 9.00 News. ‡9.05 From Our Own Correspondent. ‡9.30 The Week in Westminster. ‡10.00 *News.* ‡10.02 The Weekly World. ‡10.15 Daily Service. ‡10.30 Pick of the Week. ‡11.30 Dial-a-Scientist. 12.00 News. 12.02 p.m. Stereo Release (S). As Radio 3. ‡12.55 Weather, programme news. VHF (except London *and SE) Regional News.* 1.00 News. 1.15 Any Questions? ‡2.00 Man of Action: Ludovic Kennedy (as Radio 3). ‡3.00 Matinee Musicale (as Radio 3). ‡4.00 News. ‡4.02 4th Dimension. 5.00 PM Reports. ‡5.55 Weather, programme news, VHF (except London and SE) Regional News. 6.00 News. 6.15 Stop the Week with Robert Robinson. 7.00 News. 7.02 Desert Island Discs. 7.30 These You Have Loved (S). 8.30 Saturday-Night Theatre. 9.58 Weather 10.00 News. 10.15 With Great Pleasure, Wynford Vaughan-Thomas presents his choice of prose and verse. 11.00 *Lighten Our Darkness.* 11.15 News.

Open University: VHF only—6.05 a.m.-12.00 and 2.00-5.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 Saturday Scene. 8.45 The London Gardener. 9.30 Three's Company. 11.30 It's Saturday. 2.02 p.m. Close Up. 2.30 The Other Programme. 6.00 News. 6.02 As Radio 2 until closedown.

London Broadcasting

261m and 97.3 VHF

7.00 a.m. Music in Stereo. 8.00 Saturday Magazine. 10.00 Jellybone. 12.00 London's Week. 1.00 p.m. Newswatch. 1.30 Sportswatch. 6.00 Newswatch. 6.30 London Matters. 7.00 Artsweek. 9.00 Nightline. 12.00-6.30 a.m. Nightwatch—*news every half-hour.*

Capital Radio

194m and 95.8 VHF

7.00 a.m. Kerrygoround with Kerry Juby. 9.00 *Capital* Countdown with Roger Scott. 12.00 Kenny Everett with a week's madness concentrated into a two-hour musical maelstrom. 2.00 p.m. Person to Person. 4.00 London Link. 6.00 Soul Spectrum with Greg Edwards. 10.00 Tommy Vance—an hour of true Reggae. 11.00 Tommy Vance—American Pie. 2.00 a.m. Night Flight.

TV Top 20

Week ended July 20

			Homes viewing (m.)
1	Coronation Street (Mon.)	Gran.	6.90
2	Man About the House	Thms.	6.75
3	And Mother Makes Five	Thms.	6.50
4	Crossroads (Tues.)	ATV	6.45
5	Coronation Street (Wed.)	Gran.	6.15
	Crossroads (Thrs.)	ATV	6.15
7	The Day War Broke Out	Thms.	6.10
	Crossroads (Wed.)	ATV	6.10
9	Crossroads (Fri.)	ATV	6.00
10	The Squirrels	ATV	5.95
11	Who Dunnit.	Thms.	5.80
12	Sam	Gran.	5.75
	Three Comedies of Marriage.	Thms.	5.75
	Sale of the Century	Anglia	5.75
15	General Hospital	ATV	5.65
	Cannon	BBC	5.65
17	The Main Chance	Yorks.	5.60
18	Seaside Special	BBC	5.50
19	Don't Ask Me	Yorks.	5.40
20	News at Ten (Mon.)	ITN.	5.30

Figures compiled by Audits of Great Britain for the Joint Industry for Television Advertising Research.

Your savings and investments

An optional extra

BY CHRISTOPHER HILL

ONE POINT of the clearing banks' operations which came to my notice this week was the gentle efforts which Barclays Bank has been making to encourage some of its clients with smaller individually managed investment accounts to cease being individually managed and to switch to the Barclaytrust Investment Fund. This is the unit trust which was set up last year for the larger customer (minimum 10,000 units) and provides a detailed information service by way of quarterly investment reports instead of half-yearly.

There is nothing new about investment departments thinking that smaller clients would be better off in a unit trust—the argument being that the investment management would be on a more full-time basis. But banks which control unit trust groups are in a rather delicate position where transferals are concerned and my eyebrows were raised by the deal which Barclays offers its existing investment clients. For the privilege of switching to the unit trust they are charged the normal 2 per cent. initial service charge (the right is reserved to raise it to 3¼ per cent.) for sums of up to £50,000. It is reduced to 1 per cent. on any excess. But this is the same deal which anyone walking in off the street would get.

Mr. Derek Hanson, chairman of Barclays Unicorn and general manager of Barclays Bank Trust Company, argues that this is an "optional extra" offered to clients—there is no compulsion and it is up to the individual investment and trust offices to make the approaches. The client also gets the benefit of the preferential share exchange scheme when his portfolio is exchanged for units.

But it still seems to me that clients of the bank ought to get a better deal for making a move which is not only in their interests but in the bank's interest. They might get better management (Mr. Hanson reckons that even up to £100,000 a client is better off in a unit trust) but the bank also benefits in that it is more economical to manage smaller amounts in a big fund than to have them on an individual basis. But as things stand, Barclays would levy a £400 initial charge on a £20,000 portfolio switched into the Barclaytrust Investment Fund. With £200m. in individual management accounts any sizeable volume of switching would raise considerable amounts in charges.

To get a comparison with other unit trusts catering for the larger investor, 2 per cent. is not out of line as an initial charge, but then one is talking of *new* clients not *existing* clients. In Barclays' case there are no commission or promotion charges to bear and I cannot help feeling that existing clients are a case where a substantial reduction in the initial charge would be in order.

Merger problems

THERE HAVE been a few problems in the Slater Walker unit trust camp recently concerning the proposals to merge trusts within the enlarged group following the takeover of the National funds. Apparently the stumbling block is the Inland Revenue, for the Department of Trade signified some time ago that it was happy for mergers to take place (a number of the National trusts have been moribund for years).

But a test case appears to have arisen with one of the National unpromoted funds—the Provident Investors Trust—where the trust deed is due to expire on September 1, 1975. Provident Investors goes back to the 1930s, has 800-900 unitholders (quaintly termed "certificate" holders) and is worth around £1m. Slater Walker would like to merge it with another National group fund—one of the promoted ones, Security First—to form an enlarged trust amounting to around £5m. SW reckons that the aims of the trusts are very similar and the merger would be in everyone's best interests.

The details of the argument taking place between SW and the Inland Revenue are not entirely clear and SW is not anxious to prejudice the outcome of negotiations which are at a delicate stage. But the arguments seem to revolve round the unrealised capital gains tax position of the trusts involved and the possible liability to 2 per cent. stamp duty on assets in view of the change of beneficial ownership."

Capital gains tax has always been a problem area where unit trust mergers are concerned, for trusts have to line themselves up so that there is no element of unfairness to the unit holders involved in the merger. But the difficulties seem to be more than usually apparent in this case and the stamp duty aspect certainly sounds a new one—having been raised by the Controller of Stamps at the Inland Revenue. For the moment, SW has obtained permission from the DoT to extend the life of Provident Investors Trust for another 18 months while further discussions take place.

The Association of Unit Trust Managers is also involved having been nagging away for years about the penalties of mergers. In the past the stamp duty question has been neatly sidestepped by using an "oral" instrument of merger where the same trustee was involved, but it appears that in future mergers may all be forced to use a "written" instrument on which stamp duty would be payable.

Clearly this situation is unsatisfactory for what it amounts to is that mergers will not take place if the trustees reckon that they are so expensive as to be against unitholders' interests. One of the flaws of the unit trust is that it is like an unstoppable machine once started and it would be a pity if the efforts to increase flexibility (which have been encouraged by the DoT) should be put into reverse over a stamp duty quibble. There are a lot of potential mergers in the pipeline which are certainly in unitholders' best interests.

● GILT-EDGED

Fund service

THE BUOYANCY of the gilt-edged market and the corresponding decline of equities has attracted notice recently but the problem for many people is how to take advantage of current trends without having professional knowledge of the market.

Due to the regulations for unit trusts there are no authorised funds for gilt-edged stocks at present but investors might note that the discount house King and Shaxon runs a clutch of investment vehicles to enable individuals and funds to obtain expert management. These include a bond fund for wholly tax exempt pension funds and charities; a gilt-edged portfolio management service for individuals (minimum investment around £8,000 to be cost-effective) which works on the "pooling" principle and includes income and capital portfolios; a £1,000 gilt-invested single premium bond for U.K. individuals issued in association with Individual Life (Oliver Stutchbury's company); and a Jersey-based fund for overseas residents. Performance and income seems to be well ahead of the comparable indices and stocks in every case—the earliest fund was launched in 1971.

Heading for the provinces

THE SEASON for property bond annual reports seems to be here again, Save and Prosper having produced one this week and Property Growth being due with another next week.

It will be interesting to see whether they all reiterate S and P's view that the prospects for property are now good—with the caveat that yields are unlikely to fall to the levels seen in 1971-72 or that the degree of growth then experienced will be repeated. But what S and P is intimating is that a new dawn is in evidence and that the unpleasant feeling of tight liquidity (which prompted sales of £2.2m. of property during the period of high redemptions) has eased. The (£21.8m. at May 15) fund is now on the feed again for properties.

However, whereas during the boom period the aim was overseas diversification, this has now given way to concentrating on office properties in provincial centres with above-average growth potential. Sales have concentrated on shops and the fund does not have any office investments in the City and West End of London.

This all sounds fair enough, but—having heard various definitions of "first-class" in the property sector over the years—I cannot help wondering whether provincial properties might be less attractive now that they are becoming fashionable and that maybe the sectors which have fallen from grace command greater long-term potential at this stage. Certainly Property Growth, which was ahead of the field in going into the provincial smaller office block is somewhat gratified to see S and P taking a leaf out of its book but is keeping quiet until next week about its own next moves. It does seem to find selected shop properties attractive however.

As for Hambro Life, managing director Mark Weinberg said that it is questioning the wisdom of doing what everyone else is doing, and added that the recent universal quest for provincial properties in the £½m. to £1½m. bracket has had the effect of forcing yields down in that sector. He reckoned that they were a full point lower than properties of £3m. to £4m.

But the three major funds were all fairly level-pegging with their investment performance over the year to July 1, whatever their differences in interpreting the trends, varying between an 8 and 10.7 per cent. drop in unit values according to *Money Management's* tables.

Major indices run out of steam

By TERRY WILKINSON

SINCE WE last reviewed world markets two months ago, the major indices have run out of steam. The dollar premium has come back from 109 per cent. to 88 per cent. and at the same time the F.T. 30 Share Index has fallen by nearly a fifth.

The background to this has been mainly that the eagerly awaited reflation of world economies now seems likely to be subject to further delays. This is coupled with the trend towards rising short term interest rates emanating from the United States. Nevertheless, our table shows that about three-quarters of the world's major stock markets have shown gains of at least a fifth since the beginning of the year.

One of the major preoccupations of fund managers concentrating on individual markets is the correct weighting of portfolios. But on an international scale decisions have to be made not only on shares and markets but also on currency rates and possible movements in the dollar premium. As the events of last year demonstrated, even the "back to back loan" is not immune from these fluctuations. Our table also shows the progress of investments on various markets after taking into account exchange rate fluctuations and a notional 25 per cent. surrender of the ruling dollar premium value.

Wall Street

On Wall Street, which is the traditional centre of attraction for U.K. investors, the outlook for the medium term is fairly optimistic, and a 30 per cent. rise in Standard and Poor's composite index places it among world leaders so far this year. Indicators of industrial production and housing starts are picking up, but the outlook on inflation is less encouraging and (together with the upward shift in prime rates) this has put a damper on market movements.

Drug and high technology companies have had a rough ride, and, after a good start, retail concerns such as Sears and Roebuck have lost momentum. In general there has been support for "high multiple stocks" and cyclical industries, particularly automobile manufacturers, have been strong recently.

In Canada, recessionary trends are more pressing and the current problem is the threat of wage inflation which could blunt the expansionary moves initiated in last November's Budget. The most recent budget was concentrated on energy—a doubling of natural gas prices scheduled for November; increased excise taxes on petrol; and a 23 per cent. rise in the barrel price of oil together with a 25 per cent. resource allowance for oil companies. But given Canada's dependence for exports on the United States, the Toronto market tends to lag behind Wall Street, having risen by 20.8 per cent. so far.

One important effect of an apparent extension of recessionary trends on European markets, principally Germany and France, has been the failure of government measures to promote corporate investment. With attention switching towards measures designed to stimulate consumer spending, stores shares such as Karstadt and Kaufhof in Germany and Carrefour in France have been singled out together with Peugeot on the expectation of VAT cuts on automobiles. Sterling's weakness against the franc has improved investment returns from Paris, compared with those from Frankfurt. The recent difficulties in the German bond markets coupled with the fact that many shares are near their all-time highs may prove a short term damper on the German market.

South Africa

Hong Kong, with a gain of 94 per cent., continues to recover from its low point but is still four-fifths below its all-time high.

One interesting feature of our table is the diverse performance of the Johannesburg Industrial and Gold Indices. In 1974 golds led all the way but in the first six months of the year the Rand Daily Mail Gold Index fell by a fifth, in line with the falling bullion price. The coal index, on the other hand, jumped by 75 per cent., prompted by plans for a near-$7bn. investment programme in coal-fired power stations and other coal related activities. Also of interest is the favourable effect of a narrowing of the "blocked rand discount"—from 34 per cent. to 14 per cent. this year—on these price movements.

	1/1/75 Price Index	1/1/75 *Exchange Rate	22/7/75 Price Index	22/7/75 *Exchange Rate	% Unadjusted increase	% Appreciation on investment in terms of sterling
Singapore	155.1	5.4445	227.0	5.39525	−46.4	−26.7
Hong Kong	167.11	11.485	324.19	10.975	+94.0	+74.2
Sydney	295.99	1.7599	364.45	1.67015	+23.1	+11.4
Tokyo	276.04	703.0	317.86	646.0	+15.2	+ 7.5
Joburg. Ind.	188.9	2.4524	234.3	1.8142	+24.0	+43.9
Joburg. Golds	379.1	2.4524	298.1	1.8142	−21.4	− 8.8
Belgium	89.07	84.95	107.23	85.65	+20.4	+ 2.5
France	51.7	10.3975	65.9	9.335	+27.5	+21.8
Holland	85.8	5.84	100.6	5.63	+17.2	+ 4.4
Italy	86.82	1518.0	82.71	1425.0	− 4.7	−13.0
Switzerland	210.2	5.96	268.9	5.77	+27.9	+13.4
S. & P. Composite	70.23	2.3365	91.45	2.184	+30.2	+19.6
Toronto	159.93	2.3176	193.2	2.2505	+20.8	+ 6.8
Germany	573.5	5.6475	699.3	5.46	+21.9	+ 8.2
Spain	99.42	131.1	97.6	125.7	− 1.8	−12.1

Source: Datastream

Effective Dollar Premium at 1/1/75=68.625%

Effective Dollar Premium at 22/7/75=59.625%

*local exchange rate against the £.

Fixed interest

BY CHRISTOPHER HILL

THE ACCENT has been off fixed interest investment for most of this year, but the hints of a further upturn in interest rates this week prompted a look at the returns currently available in the U.K.

The most obvious feature of the situation at the moment is the way the clearing banks have dropped in the rankings, offering a return on deposit accounts of only 6.25 per cent.—which would come down to 3.1 per cent. for an investor with a 50 per cent. tax rate. Building societies, on the other hand, are still holding their own with a 7 per cent. interest rate on shares for the basic rate tax payer, shading down to 3.8 per cent. where investors with a 65 per cent. tax rate are concerned. At this level they have been attracting money from the banks.

For the investor requiring a gross rate of interest Local authorities' yearling bonds still have an appeal but the decline in the rate to 10¾ per cent. has removed some of the attraction vis-a-vis other alternatives. The major competitor in the fixed interest savings stakes at present is still National Savings and the Trustee Savings Banks which still offer 9 per cent. on investment accounts. They also have the Government's new index-linked products going for them.

On Friday afternoon the new 11 per cent. minimum lending rate was declared, but this is unlikely to have any immediate effect on rates offered, except where local authorities are concerned.

Finance and the family

Redevelopment of land

BY OUR LEGAL STAFF

A family discretionary trust owns an office and two shops. Recently the trustees have got planning permission to redevelop. They propose to do this on a partnership basis with a developer, which would *involve letting the site on a* long lease. If they do, the tax position appears to be that to get out of the discretionary trust they will pay 10 per cent. of the Gifts Rate of CTT, Capital Gains Tax 30 per cent. and First Lettings Tax which will involve the four beneficiaries at about 60 per cent. each. Is this correct?

It is not clear from your letter whether the nature of the transaction contemplated by the trustees will fall within the first-letting charge introduced by the Finance Act 1974, or whether it will give rise to a development gain chargeable to income tax under case VI of Schedule D, or even possibly to a profit assessable under case I. Doubtless, however, the trustees have secured advice on their prospective tax position, and we could not usefully comment in detail on this. An explanatory booklet on the first-letting charge and the development gains legislation has recently been issued by the Inland Revenue (booklet CGT 10) and free copies should be available at your local tax office.

As reported in the Financial Times on May 15, the Development Land Tax Bill has been postponed until the next session, but a further White Paper on the Government's intentions to increase the effective rate of taxation on property development profits is expected before the Summer Recess. Paragraph 5 of the Inland Revenue press release of February 4 confirmed that the first-letting charge will be phased out after the development land tax is introduced.

Wayleave for water pipes

Some time ago water pipes were laid under my land by the Water Board. I was told that I was to receive compensation payments for a wayleave, but so far nothing has happened. What should I do?

You should write to the Board pointing out that no arrangements have been made for their use of your land and that there is a technical trespass until *such time as they* agree terms of a wayleave with you; that you are willing to agree such terms, but that the matter must now receive immediate attention.

Making up a private street

I understand that when costing the making up of a private street the frontagers cannot be charged for making up new road which has been dedicated or acquired by the Council. This means the local cost per foot can vary depending on whether the road is straight or not, or whether the effective road is very narrow. What is the basis for determining the width of the existing road?

The position is, in fact, more complex than your statement of principle suggests. Only if there was dedication as a road before 1823 or as a footpath only after that date is the frontager entitled to require the cost of making up the dedicated portion of the road to be excluded from the computation of the amount payable by the frontagers.

Basically the lengths that require *to be taken for apportionment* are the lengths of the frontages, that is the boundary between private curtilages and the road. The width of a highway is a question of fact and may well exceed the metalled surface—indeed it usually does.

Safeguarding an old ditch

There was a ditch on my property at the back of which is a hedge. After some argument the Council has agreed that the ditch, now filled in, is mine, and have suggested that I convey it to them for a nominal sum, so that they can complete the landscaping of their old people's homes. I am agreeable, except that I want to ensure that what they *do* is to my liking. What do you suggest?

You can offer to lease the land *to the Council on a long lease* in which the Council covenants to maintain the land in its present state and not to do or cause or permit to be done on or in connection with the land or any adjoining land of the Council's anything which is or may become a nuisance or annoyance to the landlord or the landlord's neighbours or may injure or damage any land of theirs or anything growing thereon. On the costs of such a lease being borne by the Council, you could offer to take a nominal rent only.

Defraying a road charge

***As executor of my late* father-in-law, I face a £500 charge for making up the road fronting a seaside bungalow occupied for 30 years *by a statutory tenant at a rent* which has never produced a penny of net income. Can I repudiate on the ground of no funds and can the local *authority recover from the* three legatees? What relief of any charge can if necessary be recovered from the tenant?**

You can only reject the charge if there are in fact no funds in the estate. The fact that you still have the reversion on the statutory tenancy vested in you shows that that cannot be the case. You may however have to sell the property (subject to the tenancy) in order to defray the road charges if there are no other funds available in the estate. We do not think that any part of the road charges can be recovered from the tenant.

Interest on compensation

With reference to our reply last Saturday under the heading Interest on Compensation, the present rate is not 14½ per cent. but 12½ per cent., having recently been reduced to that rate by Statutory Instrument.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Tax paid by visitor

My son retains British nationality. He has been employed in Canada and the U.S. since 1968 and has not visited the U.K. for more than six days total since then. He plans to take a one year's course at Cranfield, Herts., being granted leave of absence by his employer without salary. He could deposit a dollar account with a Canadian/U.S. bank and have *it remitted as needed to a* U.K. bank. Is he liable to U.K. tax during his stay here?

Your son's course at Cranfield Institute of Technology will presumably result in him spending more than six months in the U.K. within one tax year, and perhaps two. For tax purposes, therefore, he will be regarded as resident here for one or two tax years, but he will probably continue to be regarded as not ordinarily resident here. From the brief details in your letter, we assume that he has not abandoned his English domicile or origin, that is to say, we assume that you were domiciled in England when your son was born and that he has no fixed intention to settle indefinitely in one of the states of the U.S. or in one of the provinces of Canada, to the exclusion of all other states etc.

For exchange control purposes, he will doubtless continue to be regarded as a resident of the dollar area (the U.S. or Canada, as the case may be), as he will be here for less than three years.

If his unpaid leave from his North American employment (it is not quite clear whether his current employment is in the U.S. or in Canada) commences before he arrives here and continues until after his departure at the end of his course, and if he has no other source of income, then he will probably have no U.K. tax liability in fact, although the strict legal position is open to doubt. He may well be given the benefit of the spirit of the exemption afforded to certain visiting students by the current double taxation agreement with the U.S. or Canada (as the case may be), although he may not qualify strictly speaking:

U.S. convention of April 16, 1945, Article XIX

"A student or business apprentice from the territory of one of the Contracting Parties who is receiving full-time education or training in the territory of the other Contracting Party shall be exempted by such other Contracting Party from tax on payments made to him by persons within the territory of the former Contracting Party for the purposes of his maintenance, education or training."

Canadian agreement of December 12, 1966, Article 19(1)

"A student or business apprentice who is, or was immediately before visiting one of the territories, a resident of the other territory and is present in the first-mentioned territory solely for the purpose of his education or training shall not be taxed in that first-mentioned territory on payments which he receives for the purpose of his maintenance, education, or training provided that such payments are made to him from sources outside that first-mentioned territory."

The Inland Revenue is generally prepared to give guidance to intending visitors on their prospective U.K. tax position, although pressure of work may prevent a prompt reply. We suggest that your son write to the *Chief Insptor of Taxes (Claims)*, Foreign Division, Magdalen House, Stanley Precinct, Bootle, Merseyside, L69 9BB, giving as much background information *as possible, including either* the name and reference number of the tax office to which he submitted his tax returns (if any) before he left this country in 1968, or the name and address of his last employer in the U.K. (if any).

Insurance

Seat belts and damages

BY JOHN PHILIP

IN DELIVERING judgment in the Court of Appeal last Monday in the case of Froom v. Butcher, Lord Denning, the Master of the Rolls, went some way towards settling the argument that has raged in and out of the Courts over the last *three years on the seat belt* question—the question whether or not the failure on the part of the motorist or passenger to wear a seat belt amounts to contributory negligence so that when he is injured he cannot receive 100 per cent. compensation for his injuries.

The facts

First a note of the facts. In Nocember, 1972, the claimant, *Mr. Froom, while driving his car* had been injured in a head-on collision with a car driven by the appellant, Mr. Butcher. Mr. Froom was not wearing a seat belt (he told the court he did not like wearing one) and in the collision he sustained a broken rib, a bruised chest, and abrasions to his head, all of which most probably he would not have suffered if he had been properly belted into his driving seat.

Nevertheless the trial judge had decided that as Mr. Butcher was responsible for the collision, he, and therefore his insurers, should compensate Mr. Froom on a full liability, 100 per cent. basis, although by exercising common prudence and wearing the seat belt with which his car was fitted, Mr. Froom would most probably have suffered a minimal injury.

Accepting that the claim was controversial and that if he ruled 100 per cent. for the claimant, there was likely to be an appeal, the trial judge declared that if on appeal he was held to have been wrong, then he would assess the claimant's degree of contributory negligence for his own safety at 20 per cent.

This incidentally is by no means an unusual course for a trial judge to take, and this kind of assessment is often made in an attempt to help both litigants and the Court of Appeal subsequently. And so Lord Denning *and the other Lords Justices* had a ready made percentage on which to fix when they ruled that Mr. Froom had in fact been negligent of his own safety.

In the last few years there have been around a dozen law cases reported on this question, and the trial judges have shown much the same degree of indecision as did Members of Parliament when the proposed seat belt clause was debated and rejected in the passage of last year's Road Traffic Bill.

In the courts some of the *judges* took the view that until the law compelled the wearing of seat belts, with the sanction of fine for non-compliance, it was legally untenable to hold that the *injured unbelted* motorist or passenger was in any way to blame for his injuries. In both the House of Commons and the House of Lords there was a lot of emotive talk about the freedom of the motorist—very much of the kind we heard when the breathalyser law was first brought in and of the kind we shall doubtless hear when the Blennerhasset Committee reports later this year on drinking and driving—so much so that *though the fitting of seat* belts is compulsory, wearing them is not yet so.

Reduced fatalities

This is despite the wealth of statistical evidence from abroad in countries where there is compulsion, that our road fatalities will be reduced by something like one-tenth in number and serious injuries by a like proportion if seat belts are worn by drivers and front seat passengers. And this also despite the wealth of practical research and demonstration by such organisations as the Road Research Laboratory. Compulsion will come but it will be surprising if there is legislation operative before next Easter. At present there is only the exhortation in the Highway Code: "Fit seat belts in your car and make sure they are always used."

Meantime the Court of Appeal has attempted to establish guide lines for judges dealing with civil claims for damages, and Lord Denning has drawn attention to the fundamental distinction between the cause of the accident and the cause of the injury. Even where the cause of the accident is clearly not the claimant's fault, say where he is sitting in his properly parked car and is run into, if on the evidence his injury is caused partly by his own failure to wear a seat belt, then his damages "fall to be reduced to such extent as the Court thinks just and equitable."

Saying this is one thing, trying to quantify it is another. According to Lord Denning, where the evidence shows that the failure to wear a seat belt made no difference to the injury sustained, damages should not be reduced: where the evidence shows that the failure to wear a belt made all the difference and that the wearing of a belt would have prevented injury altogether, there should be a 25 per cent. reduction of damages: where the evidence showed that injuries wold have been substantially less severe had a belt been worn, then the reduction should be 15 per cent.

But these percentages show how illogically judges can reason from logical premises. Surely if the evidence is clear that the injury would have been totally prevented by the wearing of a seat belt then the reduction in damages ought to be 100 per cent. and not 25 per cent.? This being so, the 75 per cent. of compensation to which the Claimant is now entitled must objectively be regarded as punitive damages against the negligent motorist and not as compensation.

The decision has nothing to do with the freedom of the *motorist* or passenger not to wear a seat belt. Pending compulsion he can still do as he wishes and there is no condition in his motor insurance policy which can penalise him whatever his choice. But everyone must now recognise that the exercise of that freedom not only involves the risk of greater injury, as indeed it always has, but also the real risk in the event of injury of getting less than full compensation from the negligent motorist's insurers, *who* are obliged to apply our liability laws in their daily handling of compensation claims.

Personal policies

Incidentally, the motorist or passenger who is still positively anti-seat belt can, of course, purchase a personal accident policy which provides capital sums for death, loss of sight and limbs and weekly benefit for disablement: he can get cover on a full 24-hour basis or cover for travel accidents only and the benefit he buys cannot be taken into account by motor insurers dealing with any subsequent injury compensation claim that may arise.

TAXATION AND THE INVESTOR

Some miscellaneous points

BY JOHN CHOWN, TAXATION CORRESPONDENT

THIS WEEK I want to make a few short points, unrelated except that they all arise out of recent Press comment or points made in the correspondence column.

Pension rights

In my last article I suggested that pension rights should be included in the scope of the wealth tax. I was roundly attacked for saying this in a letter from Mr. Talbot.

Mr. Talbot *suggested* that the businessman could always buy himself a pension and thereby secure a favourable asset mix for wealth tax purposes. Here *he certainly missed* the point. I had intended to refute him on two separate counts, but both cases have been made for me by others.

As Mr. Dauris of the Smaller Businesses Associations points out (letter July 18) it is surely wrong that a businessman should be forced by the *stupidities of the tax system* to divert money which he should be using in his own business to an insurance company which then in effect charges him for the investing of his money in businesses run by others.

Life assurance companies, pension funds, unit trusts, investment trusts and other *investment* intermediaries serve a valuable function for channelling the funds of *passive* investors into productive investment.

Those who chose to invest their savings through these intermediaries should certainly not be *penalised* by the tax system—but they should not be privileged, compared with the man who chooses to manage his own investment portfolio, and, above all, not compared with the man who wishes to invest every penny he has or can borrow in his own business.

The second point was made on the same day by Mr. Flemming, *a welcome is unexpected* ally. As I explained in an earlier article, a Civil Servant's inflation-proof pension is "priceless" in the literal sense of the word in that no commercial insurance company would be prepared to quote for a pension on that basis.

Mr. Flemming takes the case of a Civil Servant whose salary rises (in constant prices) from £2,000 to £10,000 of a 40-year career. He then retires on a pension of £5,000 protected against inflation and has an expectation of life of 15 years. If real rates of interest are zero (that is, the value of a notional pension fund keeps pace with inflation, no more and no less) the value of the pension rights are £75,000 and the cost of funding that pension if it was done on a commercial basis would be 32 per cent. of salary. This is more than twice the 15 per cent maximum allowed for tax sheltered private pensions.

In fact the situation is much worse. Long-term Government securities yield about 14 per cent. and industrial debentures about 17½ per cent. and yet the *rate of inflation is now well* over 25 per cent. The real rate of return on pension funds is now perhaps of the order of minus 10 per cent. On this *basis the value of the pension* rights would be £190,000. If one assumes that the rate of return is a more modest minus 3 per cent., the value of the *fund on retirement* would be £95,000, and if that negative rate of return had persisted over the working life, the cost of funding the pension would have *been over 80 per cent.* of basic salary!

The film industry

I am delighted to see that the Association of Cinematograph, Television and Allied Technicians have forecast that there will be a "ruinous loss of work" unless the proposal to tax long-standing foreign residents in the U.K. on 75 per cent. of their earnings (due to come into force next year) is dropped.

So much water has flowed under the bridge and so much nonsense tax legislation has emerged from Parliament that it is hard to realise that it is a mere 15 months ago since this battle was being fought in these columns.

I am delighted to see that after such a relatively short time lag, Trade Unionists realise that the main damage of penal anti-enterprise taxation falls not on the so-called rich, but on the employment and prosperity *of the man in the* street. I wonder how long it will take for the penny to drop on capital transfer tax?

Preference dividends

The Sime Darby case on the appropriate rate to be paid on preference shares has caused quite a stir. When the imputation system of taxing companies and their shareholders was first introduced it was necessary to decide what to do about already existing preference shares.

The then proposed rate of imputation credit was three-sevenths, equivalent to a basic rate of income tax of 30 per cent. Holders of a 10 per cent. preference share had previously received a dividend of 10 per cent. after deduction of income tax at source. To have permitted them to have received this net and then to enjoy imputation credit, making the gross yield 14.29 per cent., would have been an uncovenanted benefit to them at the expense of the ordinary shareholders.

It was therefore provided that the effective dividend should be netted down. There was clearly a choice of two methods in doing this. One would be to say that any existing 10 per cent. preference share should in future enjoy such a dividend as was worth 10 per cent. gross at the rate of imputation credit applying when the dividend was paid.

The second, and the one chosen, was to provide that the rate of dividend would be netted down by the rate of imputation credit *in force at the time of the legislation. Therefore the effective* coupon on an "old" 10 per cent. preference share is 7 per cent. The actual gross yield would therefore vary with the actual rate of imputation credit in force at the time of payment. For instance, the value would to-day, with a 35 per cent. basic rate of tax, be 10.77 per cent. gross.

There are arguments for both methods. The first gives a consistent gross yield to the investor, while the second gives a consistent cost to the company. The advantage and the probably clinching argument in the second method is that it makes comparison between preference shares issued before and after the interchange of system much easier.

The legislation as drafted seemed to me clear beyond doubt, but, as many readers of this newspaper did have doubts, I sought and obtained the written assurance of the then Deputy Chairman of the Board of Inland Revenue that this result was a deliberate and intentional act of policy. There, *of course, the matter rested.*

It has now been re-opened by a court decision which (if made by anyone other than a judge) I would be tempted to describe as perverse. This decision would have had the effect of giving a benefit to preference shareholders at the expense of *ordinary shareholders* which was not intended and which was not expected by those making investment or corporate financial decisions.

Fortunately the Revenue have stepped in promptly to resolve the doubt and to say that if necessary they will bring in legislation to make it quite clear that the position is as everyone had assumed it always was.

British Leyland

Mr. Hill (July 23) suggests that if a holder of 5,000 British Leyland shares purchased at 45p were to sell to the Government at 10p he may be denied relief on his loss of £1,750 if he makes no other sales and his sales proceeds are £500 or less.

I do not think his interpretation is correct in law, but if there is doubt, then the solution is simple. He or anyone else in his position should forthwith ensure that the total sales of securities during the year are for an amount of more than £500. Even if Mr. Hill has no other investments and no real intention of making any, he should instruct his stockbroker to buy and immediately resell sufficient shares to top him up above £500 level.

If he had 2,000 British Leyland shares he would need to "put through" just over £300. Assuming a 45p purchase price he would establish a loss of £700 available for carry forward at a cost of about £10 in commission and turn.

The Government has announced that changes in the law may be necessary when Government securities are issued *in exchange for shares* in companies. The problem arises because share exchange bids are not treated as a realisation for capital gains tax *purposes, whereas profits* on Government securities held for over twelve months escape tax.

Someone might hold shares which cost £100, receive in exchange Government securities worth £250 and sell them over a year later for perhaps the same price. On the law at present there would arguably be no capital gains tax. What is proposed is that a gain would be *established* on the basis of market price for the securities *at the time of the offer.*

Provided that the Government securities were held for over twelve months, any subsequent movement in the price would be ignored. The taxable gain would be £150 even though the securities might be sold for perhaps £200 or £300. This is only the method of calculating the tax. The profit would not be deemed to be realised until the Government securities themselves were sold.

Grundy, people's horse, can earn £81,910 to-day

BY MICHAEL THOMPSON-NOEL

VICTORY for Grundy in to-day's big race at Ascot, the £100,000 King George VI and Queen Elizabeth Diamond Stakes, would undoubtedly be hailed as a victory for social democracy, for the colt—uniquely—will go to the starting post as a £1m. representative of national investment.

Recently, the state-run Horserace Betting Levy Board bought a 75 per cent., £750,000 stake in Grundy on behalf of the National Stud, Newmarket.

This week, the Levy Board held a ballot for 19 of its 30 £25,000 shares in the horse. The winners, announced yesterday, include Lavinia, Duchess of Norfolk; Lord Porchester; Mr. Jim Joel; the William Hill Studs, and Sir Philip Oppenheimer, managing director of De Beers Consolidated Mines' London-based Central Selling Organisation.

De Beers is the sponsor of today's race. It is putting up £44,000, and the Levy Board and the Ascot authority are chipping in £56,000 between them. The winner receives £81,910.

HOME CONTRACTS

£16.5m. contracts for Douglas Construction

R. M. DOUGLAS CONSTRUCTION has been awarded contracts totalling £16.5m. These include one for £14m. from Redpath Dorman Long (Contracting), a subsidiary of the British Steel Corporation, for the BSC stainless steel development *project* at Tinsley Park Works, Sheffield.

Other projects included in the total are a factory at Bridgend for Compton Engineering (£170,000), a factory at Landore for the Welsh Industrial Estates Corporation (£217,000), site clearance and earthworks at Pontypool for Fibreglass (£250,000), a factory reconstruction at Westhoughton for Metal Box Limited (£228,000), a new hygiene block, Birmingham, for Joseph Lucas (Batteries) (£250,000) and extensions to Blacon High School, Chester, for the Cheshire County Council (£268,000).

R. M. DOUGLAS ROOFING has been awarded contracts for metal deck roofing and cladding totalling £1m.

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A contract worth approximately £6m. for the construction of 275kV overhead transmission lines in Northern Ireland has been won by JAMES SCOTT (ELECTRICAL TRANSMISSION), of Winchester, a member of the James Scott Engineering Group. It was awarded by the Northern Ireland Electricity Service. The lines will run from a power station being built at Kilroot on the Antrim *coast about 12 miles north of* Belfast.

★

A £2m. order for data modems has been received by the transmission division of STANDARD TELEPHONES AND CABLES, Basildon, Essex, from the Post Office.

★

Four 15-ton overhead cranes have been supplied to Howard E. Perry and Co., steel stockholders, of Willenhall, by the STREET CRANE COMPANY, of Chapel-en-le-Frith, and have been erected in a new 18,000-ft. extension to Perry's existing facilities.

★

DRAKE & SCULL ENGINEERING has received four contracts totalling more than £1.6m. covering the supply and installation of the mechanical services for the IBM United Kingdom's new headquarters complex under construction at Portsmouth. The contracts were received through the managing contractor TAYLOR WOODROW CONSTRUCTION.

★

The City Council of Bristol has awarded a £1.25m. contract to GEORGE WIMPEY & CO. for the construction of 141 dwelling units. The work is due to be completed in December, 1976.

★

A £700,000 scheme undertaken in Cheltenham by DAVID CHARLES CONSTRUCTION (MIDLANDS) for Capital and County Properties is being leased by Kraft Foods. The project involved the partial demolition of the existing building and construction of a four-storey block to provide *some* 7,620 square metres of office accommodation.

★

EAE GROUP has won a contract worth more than £500,000 *for the complete fitting* out of a giant three-storey module being built by WILLIAMS BROTHERS OFFSHORE for the Shell Dunlin A platform. EAE, a Plessey company, will fit the external cladding and carry out all interior installation. The company is also responsible for the design of services and the provision of fittings, furniture and furnishings.

CHESS SOLUTIONS

Solution to Position No. 72: Black won by 1...P-N5 ch! 2 QxP (2 KxP, Q-B4 mate), Q-B4; 3 P-R5, P-B5! 4 P-R6, QxQ ch; 5 KxQ, K-B3; 6 P-R7, K-N3; 7 Resigns. If 7 PxP, P-N6 and Black queens his pawn.

Solution to Problem No. 72: 1 P-R7, K-R7; 2 P-R8(R)! K-R6; 3 R-R4, P-B4; 4 R-KB4 (if White had promoted to a queen, this move would only draw by stalemate), K-R7; 5 R-R4 mate.

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مكتب الأهرام

Motoring

Rustproofing helps to prolong car life

BY JAMES ENSOR

THE RAPID RISE in motoring costs is persuading more people to keep their cars for longer. Many companies which used to trade their executives' and salesmens' cars as a matter of routine after one or two years, now keep them for three or more. As the average life expectancy of a car has increased steadily over the past decade, it no longer makes much economic sense to make an annual trade-in.

According to the Swedish Bilprovning, the State testing agency, the average life expectancy of a typical European executive car has been increasing by as much as half a year each year: that is to say that a 1975 model Volvo, Mercedes, Peugeot or Saab is likely to last 2½ years longer than a 1970 model.

Twelve years

All of these cars should last for over 12 years, under tough Swedish conditions, while even the least good of the cheap family cars (Simca, Austin-Morris, Citroen and Renault according to the Swedes) will last for ten years.

In these circumstances, the owner who sells after a couple of years has probably enjoyed less than a fifth of the potential life of the car. As new car prices have raced upwards while used values have increased only slowly, the cost of replacing a two-year-old executive car has become quite considerable.

The owner trading in a Rover 2200 Automatic just a year old with low mileage, for instance, is likely to be asked to find well over £1,000 to pay for a new one. For a Jaguar XJ6 owner making a similar trade-in with an automatic 4.2 litre, the cost of the change-over would be well over £2,000 and perhaps as much as £2,500.

The pace of technological obsolescence, particularly in the prestige, luxury car market, has slowed down considerably, partly as the result of a slower rate of development in suspensions, steering and the like and partly because of the very high cost which manufacturers have to pay to introduce a genuinely new design.

Jaguar, for instance, is only at the drawing board stage in considering the XJ6 replacement, while the Rover which is about to be replaced has lasted over ten years.

Manufacturers such as Volvo, Citroen and Peugeot which have introduced new 2 to 3 *litre* models this year, are unlikely to consider a replacement until the end of the eighties, if then. And increasingly, the changes which are made, such as those in the Volvo 244 Series, are limited to items like a new engine or suspension or new front end rather than a complete recast of the design.

Good sense

All *of this means that it* makes good, sound economic sense to keep your car longer than you might have done five or ten years ago. Advances in engine durability, the increase in service intervals and better rustproofing mean that a five-year-old executive car is generally in quite sound condition.

Again, if a car is going to be kept longer, additions and extras which may not be worthwhile over a two year life begin to pay off. An obvious example is the choice of a five-speed gearbox or overdrive option, where the saving in fuel must be offset against the higher purchase price.

Equally, arguments can be made out for the choice of a diesel engine—offered in Britain by Mercedes and Peugeot—although under British conditions and prices it is doubtful if this investment would counter its higher capital cost at under about 80,000 miles.

Perhaps the most obviously worthwhile investment is in after-sales rustproofing of a car.

It can be argued, and often is argued, that a manufacturer such as Volvo or Peugeot take such precautions against rust in the factory building programme that the after-sales treatments offered by a number of organisations are a waste of money.

Certainly a Volvo, for example, which leaves the factory with galvanised door sills, drain holes drilled into all cavities and pockets and a carefully prepared primer, which is pre-painted on areas that are difficult to reach, is very effectively protected against rust.

Equally, companies such as Fiat and Vauxhall, which in the past have had a poor reputation for rusting, have made great strides to improve their protective finish, as their sales began to suffer from the word-of-mouth denigration of past owners.

But the demands of a production line limit the effectiveness of any factory applied rust-proofing procedure. Basically, the factory can only ensure that the design is as free from rust-forming traps as possible and that the bodywork is as fully protected with galvanised or primed surfaces as it is economic to do, considering the sales price of the model.

What a plant cannot do is to inject the slowly hardening rubberised solutions into the door interiors and body cavities which the specialist rust-proofing shops do.

The best known in Britain, Ziebart, was started by a German-born mechanic in the U.S., who became concerned at the rapid rusting rate of contemporary American cars. The 1954 Mercedes, which he chose as his first practical test, is still on the roads.

The cost

The Ziebart process, which consists of injecting a special solution through a set of half a dozen *intricate tools into all* the body cavities, costs from about £40 to £70 according to the model.

It should prove to be a good investment—certainly more and more motorists are taking advantage of it for the 75 Ziebart stations in Britain are expected to increase to 100 by the end of the year.

Golf

The leading U.S. money winners in close race

BY BEN WRIGHT

THE FINEST field ever to compete in a Canadian Open Championship has assembled here at Royal Montreal Golf Club this week, and it seems certain to be encouraged by a record crowd.

When advance ticket sales were halted last Friday evening, the total prize fund of $200,000 had already been exceeded in receipts by $10,000. At that time only a negligible number of daily tickets at $8 for the first two days and $9 for the final two had been sold. The big demand had been for season tickets at $40 each.

And so continues the astonishing story of the booming American tour this year, during which attendance records have been shattered almost week by week, a far cry from the pathetic situation in Britain and Europe.

Miller's runaway victories

Of course, they were fortunate to have been given such a fantastic send-off here by Johnny Miller's incredible runaway victories in the Phoenix and Tucson Opens by 14 and nine strokes respectively.

This stimulated the public imagination to such an extent that every subsequent meeting between Miller and the reigning monarch Jack Nicklaus was billed as a confrontation that neither concerned nor involved the rest of the field.

As it has turned out, this has been a sad misconception. Nicklaus has finished ahead of his rival on all but three occasions when they have tied, including most recently the British Open Championship.

I felt considerable sympathy for Miller on that occasion at Carnoustie, feeling that he had deserved by his marvellous aggression at least a place in the play-off. Miller himself had registered more emotion then than I had previously ever seen him produce in all his moments of triumphs and disaster.

As we reminisced here on Wednesday afternoon, Miller confirmed that defeat in Scotland had been much harder to bear than it was at Augusta, if only because in the Masters he had been forced to play "catch up" golf after two poor first rounds. He felt that at Carnoustie he had developed the kind of momentum that would at least give him a chance of victory.

As it is our new and most worthy Open champion returns to competition here in a rare state of euphoria. Tom Watson told me that now that he has achieved a measure of mastery over himself, he feels he is capable of winning any and every event in which he competes. He appreciates this is an unlikely eventuality, but speaks of a new-found maturity gleaned from victory in the Open Championship that will enable him to win worthily when his best golf creates that opportunity.

In assessing easily his best of four seasons, Watson reminded Miller that in finishing joint seventh to him at Phoenix and third at Tucson he had trailed the winner by no less than 20 and 10 strokes respectively.

But since then Watson has managed seven more top ten finishes in America—including joint eighth in the Masters and ninth in the U.S. Open—apart from his victories in Dallas and at Carnoustie. Add to this six more finishes in the top 20 and it is easy to understand how Watson has come finally to believe so strongly in his ability.

Seventy-ninth on the money list in 1972, his first season, Watson has progressed to 35th, *then tenth, and comes here in* fourth place only $5,000 short of last year's total earnings of $135,474—hardly shabby at the age of 25.

After Miller's early surge and Nicklaus's emergence to put him in his place in both the Heritage Classic and that wonderful Masters—the latter a powerful stimulant once again to the public imagination—the in every way sub-standard U.S. Open Championship might have dampened public interest, particularly in view of the fact that the baseball season is drawing towards its climax, Pele is back in the soccer business, and the Canadian league Grid-Iron football season started in earnest in this city on Wednesday evening.

But now there is renewed interest in the closest race for the coveted title of leading money winner since 1964, when, after the year's final event, Arnold Palmer held off Nicklaus by less than $400.

The leading contenders then and now coyly shrink away from the monetary aspect, emphasising quite correctly the greater importance of major titles. But the fact that Miller is currently only $129 behind Nicklaus, and Hale Irwin only $572 behind the latter in third place, is lost on none of them.

Of the current super stars, Irwin *is the only one missing* here, having selflessly yielded to Commissioner Deane Beman's request to bolster a sub-standard field in the Quad Cities Tournament in Iowa last week—where first-year tourist Rodger Maltbie triumphed for the second successive week.

But Palmer, who won his first professional victory in the 1955 Canadian Open, Lee Trevino, whose 1971 treble triumph in this, the U.S. and British Opens did much for this event's prestige, holder Bobby Nichols—coming back after his recent lucky escape from death by lightning that also included Trevino—Tom Weiskopf, Gary Player, U.S. Open Champion Lou Graham and runner-up John Mahaffey are all competing.

Only five of the top 50 money winners are missing, fitting testimony to the fact that a great golf course will always attract the best golfers.

Long and narrow greens

The Blue Course at Royal Montreal, only 6,628 yards long, par 70, demands very accurate second shots because the rough around the greens is both deep and tough, and the putting surfaces are so long from back to front, all with narrow entrances, that a difference of up to two clubs is involved.

Mistakes in clubbing can leave players with putts of over 40 yards. The competitive record is 68, although the brilliant 20-year-old club member Robbie Jackson, who is competing, got round in 63 shots in a friendly match last year, and Trevino once scored 64 in an exhibition.

Bridge

A study in scarlet

BY E. P. C. COTTER

AS I FREQUENTLY receive queries about the laws, I feel it might be of interest to readers to know that a new edition of The Laws of Duplicate Contract Bridge has just been published by Waddingtons at a cost of £1.50 per copy. If not available in your local bookshop, it may be obtained from The Bridge Magazine, 40 Wakefield Road, Leeds, LS10 3TP.

A slam contract which is on ice is, of course, satisfying, but there is an even greater thrill in landing one that requires real thought.

Let us examine this deal, which occurred in a team-of-four match, dealt by South with both sides vulnerable:

	N	
	♠ 3 ♥ K Q J 6 5 4 3 ♦ A Q 9 8 ♣ 4	
W ♠ Q 10 7 6 ♥ 8 ♦ 7 5 3 ♣ K 10 8 7 2		E ♠ J 9 2 ♥ A 10 9 7 2 ♦ 6 4 ♣ J 6 5
	S ♠ A K 8 5 4 ♥ — ♦ K J 10 2 ♣ A Q 9 3	

Both North - South pairs reached a contract of six diamonds, though by different routes. In one room South bid one spade, North said two hearts, South rebid three diamonds, and North said three hearts. South now showed his third suit with four clubs, North jumped to five diamonds, and South carried on to six.

West led the eight of hearts, dummy played the Knave. East produced the Ace, and South ruffed. After some thought the declarer decided to assume that the club finesse was right, and play the hand as a crossruff, making two clubs, two spades, and eight trump tricks. So he cashed the Ace and King of spades and ruffed a spade on the table, then led the club and finessed the Queen. Unfortunately, West took with the King and returned a trump.

Now there had to be a change of plan. Winning with dummy's Queen, South led a heart and ruffed in hand, but when West showed out, there were not sufficient entries to set up and enjoy the hearts, and the contract was defeated.

In the other room the lead and play to the first trick was the same, but this declarer decided on the dummy reversal, establishing the heart suit in the process. He, too, found that he was one entry short in dummy because of the 5-1 break of hearts, and once more the contract failed.

Let us replay the hand together and see if we can solve the problem.

When West leads the eight of hearts, we like the idea of setting up the heart suit. If West has led from a doubleton, there is no problem, but if that eight is a singleton, is there anything we can do about it?

A little thought shows us that we would be one entry short for the long suit plan—can we overcome this? Yes, by the simple expedient of letting East's Ace of hearts hold the first trick. By giving up this trick, we have in effect saved an entry, for now, though we still need to ruff two hearts, we can use the trump we did not use as a ruffer as our final entry to the table.

It does not matter what East returns—say the five of clubs. We take our Ace, play the two of trumps to the eight, and ruff a heart with the ten. The Knave of diamonds is overtaken by the Queen, and we ruff another *heart with our last trump*, the King. At this point we know there is just one trump outstanding, so we lead a club, ruff with the nine, draw West's last trump with dummy's Queen, and the rest of the tricks belong to us.

The two of diamonds must not ruff the heart Ace—it may have, and has, a more important job to do.

APPOINTMENTS

New directors for Boots companies

Mr. K. Ackroyd, Mr. R. Clair, Mr. T. K. W. Davies and Mr. G. R. Solway have been appointed directors of BOOTS THE CHEMISTS. Mr. E. A. Cleaver and Mr. C. D. Weston have been appointed directors of TIMOTHY WHITES. Mr. J. H. Wilson has joined the Board of BOOTS PURE DRUG COMPANY, and Mr. Dennis J. Higgons has been appointed a director of BOOTS FARM SALES.

★

Included in management changes made by KWIKASAIR, the European subsidiary of the international transport group THOMAS NATIONWIDE TRANSPORT (TNT), is the appointment of Mr. F. G. Fields, formerly general manager of the fast forwarding division, as executive director development. His new responsibilities include development and co-ordination of all divisions in Europe. Mr. David Tinkler has been appointed executive director marketing, having been transferred from a senior marketing position in the parent company, TNT, in Australia.

★

BRITISH AUSTRALIAN INVESTMENT TRUST, a company managed by DRAYTON MONTAGU PORTFOLIO MANAGEMENT has appointed Sir Alexander Ross to the Board.

★

Mr. Arrol Ferguson and Mr. John L. Wilkinson have been appointed directors of SUPRA GROUP. Both were previously associate directors of the group. Mr. Wilkinson is managing director of the company.

★

Sir Hugh Rose, chairman of SECURITIES TRUST OF SCOTLAND, has retired from the Board and been succeeded as chairman by Mr. John G. Wallace.

★

BENFIELD AND LOXLEY has appointed Mr. Richard Rutson managing director of its newly formed B and L Storefitting division *based at Oxford.*

★

Mr. George Wardrop Fyfe and Mr. Ronald Scott Brown have been appointed directors of ABERDEEN, EDINBURGH AND LONDON TRUST.

★

Mr. C. B. Barber has been elected deputy chairman of FRIENDS' PROVIDENT LIFE OFFICE. Following enactment of the new Act of Incorporation which enables the numbers of members of the Society of Friends on the Board to be reduced, and the sale of THE CENTURY INSURANCE COMPANY, which has special associations with Scotland, Mr. M. H. Cadbury, Mr. A. Gilchrist and Mr. M. H. Rowntree will resign from the Board with effect from September 30, next. Mr. F. G. Cotton, deputy general manager, will be appointed a director with effect from October 1 next.

★

Mr. Eric J. Morrison, assistant general manager of NORTHERN ROCK BUILDING SOCIETY, has retired after nearly 50 years in building societies.

★

Mr. John Pither, Mr. Robert Jolliffe and Mr. Anthony S. Jolliffe have joined the Boards of GANTRY RAILING and of SPECIALWELD, its associate.

★

Mr. John Horner has been appointed chief executive of the *Turning Division of* HARTLE MACHINERY INTERNATIONAL. He is managing director of BROADBENT MACHINE TOOLS, ACKWORTHIE MACHINE TOOLS, of Kenilworth, and STANLEY MACHINE TOOL COMPANY, of Halifax — all subsidiaries of HARTLE MACHINERY INTERNATIONAL.

★

Mr. John Thomason has been appointed financial director of DEREK HARTLE, the Manchester industrial holding company. He was until recently the senior partner in a firm of chartered accountants.

★

Mr. D. C. Keys and Mr. G. A. Weston, directors of MORGAN GRENFELL and Company, have been appointed to the Board of MAPLE MACOWARDS. Mr. T. K. Faris has resigned, and Mr. M. V. St. Giles and Mr. W. F. Moore have also resigned as non-executive directors of the company.

★

Mr. Timothy Powell has been appointed sales director of BOYLE AND SON, the Leeds-based textile wall-covering manufacturers.

★

Mr. Burton Gintell of New York City has been elected vice-president in charge of finance and administration of THE AMERICAN DISTILLING COMPANY. He joins AMERICAN DISTILLING from BOUGAINVILLA, a Bahamian corporation that specialised in the development and marketing of international properties, of which he was president.

★

Mr. A. V. (Bert) Janes, general sales manager since 1972 of COVENTRY GAUGE, a Tube Investments subsidiary, has been appointed commercial director responsible for marketing, sales and special contracts. He will report directly to Mr. Trevor J. Phillips, the company's new managing director.

Following the reorganisation of Tube Investment's Steel Tube Division's main seamless tube group in the West Midlands and the establishment of the Wednesfield hot mill complex as a separate company named TI WELDLESS, the following Board appointments to the new company have been announced: Mr. K. G. Webley, managing director; Mr. L. G. Alyes, finance director; Mr. M. W. Bell, manufacturing director; Mr. D. M. Cottingham, technical director; Mr. R. A. Gregory, commercial director; Mr. N. Hunt, engineering director; Mr. A. D. Wiggins, sales director.

★

At the ninth annual meeting of the BRITISH CONSTRUCTIONAL STEELWORK ASSOCIATION at the Piccadilly Hotel, London, on July 17, Mr. J. A. Humphreys was elected president and Mr. N. D. Simpson, deputy president. Mr. W. L. Fletcher became immediate past president and Mr. J. W. Rankin, who previously held that office, was elected vice-president. Mr. Humphreys has served on the BCSA Export Task Group, Power Station Contractors' Group, Midland Region Executive and more recently the Contractual Standing Committee. He joined his present company, Braithwaite and Co., in 1953.

★

Mr. Gordon Duffill, general manager of Perox Engineering, a subsidiary of Bullpitt and Sons (itself a member of BSR) has been appointed a director of PEROX. Mr. Charles Villa, general manager of Benjamin Parkes and Sons, another Bullpitt subsidiary, has been appointed a director of BENJAMIN PARKES.

★

Mr. James Miller, financial director and company secretary, has been appointed managing director of AYRSHIRE METAL PRODUCTS.

★

Mr. W. Norman Hornsby has been appointed a director of TOOTAL with effect from August 1 next. He is chairman of the group's MENSWEAR DIVISION, including Rael Brook, J. Haywood and Sons, Day-lin Menswear, Edward Macbean and Co. Mr. Hornsby joined the group in November, 1972.

★

The existing U.K. operation of JE LESSER CONSTRUCTION is to be split into JE LESSER CONSTRUCTION (SOUTH) and JE LESSER CONSTRUCTION (NORTH), and to take care of exceptional growth in Nigeria an office has been opened in Kano. Mr. J. R. Botwright, managing director of LESSER CONSTRUCTION, retains overall control of all home and export activities, with Mr. David Horne and Mr. David Jordan, each as director and general manager, assuming responsibility for the southern and northern regions respectively. Mr. John Bowyer moves to Kano *as resident director, Nigeria.*

Central support services for design will be provided through Mr. Campion Carter as design director and those for accounts through Mr. R. Vest, as company accountant.

These moves have been timed to coincide with the Lesser Group's move to its new headquarters at 141-149, Staines Road, Hounslow, which has just been completed.

Economic Diary

THE PRIME MINISTER and the Foreign Secretary will attend the conference on security and co-operation in Europe, to be held at Helsinki from Wednesday, July 30 to Friday, August 1. President Ford, who starts a European tour to-day, will also attend the conference.

Other events and statistics next week include:

MONDAY—Mr. James Callaghan, Foreign Secretary, visits Budapest for two-day talks with Mr. Frigyes Puja, Hungarian Foreign Minister.

TUESDAY—Electricity Council annual report. British Steel Corporation meets TUC steel committee.

WEDNESDAY—British Gas Corporation annual report. New construction orders (May).

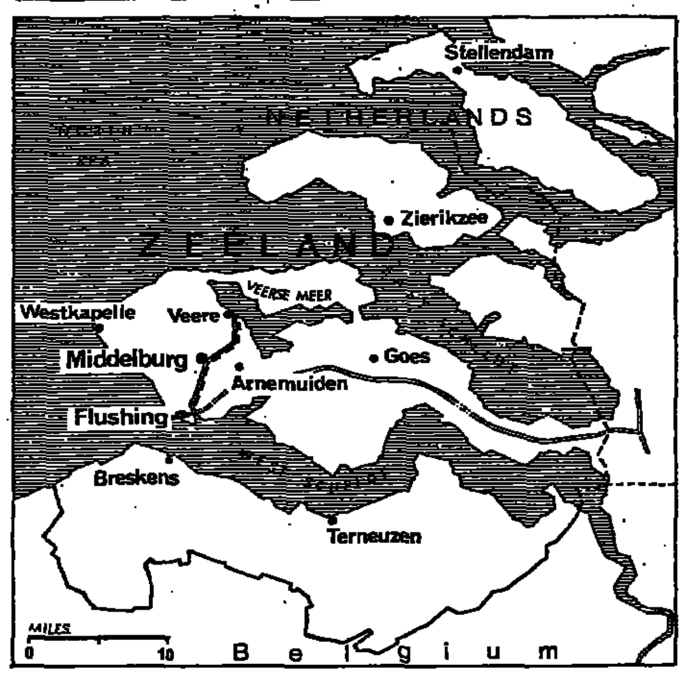
THURSDAY—Civil Aviation Authority hears application by British Caledonian Airways that fares be raised on British Airways London-Glasgow "shuttle" service and restrictions imposed on frequency of flights. Unemployment figures (June—final). Employment in production industries (May). Overtime and short-time working in manufacturing industries (May). Stoppages due to industrial disputes (June). Housing starts, completions and grants (June). Bricks and cement production (June).

FRIDAY—CBI economic situation committee meets.

Travel

There's plenty to do in Zeeland

BY SYLVIE NICKELS



TAKE A lot of water. Border it by a complexity of land, tortuous as an unfinished jigsaw puzzle, and fringed by sand beaches and dunes. Add to the flat landscapes a scattering of ancient towns and neat villages, venerable spires and tidy windmills. Populate them with a warm-hearted people. Inject a host of quaint customs and traditions—and there you have Zeeland.

For Britons, this furthest south-west corner of Holland is one of the most accessible bits of "abroad." This makes it all the more surprising that, to the best of my knowledge, it does not feature in any U.K tour operator's programme.

The selection of routes for individual travel, however, is wide, with several ferry crossings to Ostend or Zeebrugge, three to four hours drive from the region; or to the Hook of Holland; or by the new Oau Line service from Sheerness to Flushing, Zeeland's main port. The latter takes seven hours and only costs £4 single for adult passengers and £8-£12 for the car according to length.

Probably the best known facts about Zeeland are concerned with the appalling devastation it has suffered in past depredations by the sea—notably in 1953. It was soon after this that the versatile Dutch launched their quite remarkable multi-million-poung Delta Plan whose long-term purpose is to protect this vulnerable area. The project, now largely completed, involves damming great sea arms, thus connecting islands with the mainland and to each other by a series of bridges and causeways. These include the Zeeland Bridge—over 5 km. in length and the second largest in Europe.

Delta Expo, near Stellendam, just north of Zeeland on the coastal road to Rotterdam, summarises the whole fantastic business, and is a "must" for anyone of any age interested in the more enlightened achievements of man. It is open daily from 10 a.m.-5 p.m. until October 12.

There are two important by-products of the Plan for the holidaymakers: first, a considerable shortening of the distance between Rotterdam and the south-west; and secondly, the creation of a large new "lake." Veerse Meer, linked by locks to the East Scheldt, but offering a spacious haven of safe bathing and boating, and well provided with camp sites, holiday villages and marinas.

Middelburg is Zeeland's capital, its ancient roots firmly planted alongside the canal which links Flushing with Veerse Meer. As a town, it is a living museum, and not surprisingly has been selected to play a major part in the Netherland's contribution to European Architectural Heritage Year.

The market place is its lively hub, especially on Thursdays when the colourful market blossoms under a barrage of bright awnings beneath the soaring spires of the great Gothic town hall. For a quick introduction to the area, go to Middelburg's Miniature Walcheren, a gigantic model of the whole region. The canal-side is another place to go for the constant activity of barges and pleasure boats nosing in and out of locks on one of the several canal/sea routes through the region.

Another vantage point for viewing such activity is Veere on the shores of Veerse Meer. There is endless waterborne movement here, backed by the ancient silhouette of Veere Town Hall, which will be familiar to any addict of the "Lives" of that delightful historian Hendrik van Loon.

But, whether old or not, the Zeeland villages are always spick and span, and the flat lands that separate them neatly husbanded. The flatness is an encouragement to exchange four wheels for two. Bicycles are easy and cheap to hire and, from the saddle, you are aware of so much more detail—such as the charming costumes which many Zeeland women still wear to please themselves and not the tourists: and the visiual pleasure of a trim windmill punctuating the huge horizons.

Other destinations could include Westkapelle, whose ancient church tower serves as a lighthouse; or historic Zierikzee, across the Zeeland Bridge; or Goes, from which there are trips by old steam train. As a change you can take to the water or the air. Boat excursions are available from Middelburg and especially from Zierikzee, and sightseeing flights from near Arnemuiden, close to Middelburg. Zeeland's calendar of events also features several intriguing traditional events, among them tilting the ring on horseback and archery contests.

You could hardly call Holland cheap, but you do get value for money and standards are high. Prices for accommodation range from about £5 full board per day in a boarding house to £8 bed and breakfast in a first class hotel. Or there is a particularly wide choice of self-catering holiday homes (£55-£90 a week for six persons) and well-equipped camping and caravan sites.

For meals out, keep an eye open for restaurants serving 3-course Tourist Menus at a fixed Fl.10.50 (Under £2). At lunch, try the Dutch Koffietafel, a tasty miscellany of different breads, cold meats and cheeses, a hot dish and non-alcoholic drink for Fl.5.50 (about £1). And the portions are hefty.

You can work them off cycling, sailing, swimming, water skiing, riding, gliding, fishing, or playing tennis, golf, mini-golf. In short, as a local guidebook sums it up, you can do pretty well anything in Zeeland—except climb a mountain!

Further information: Netherlands National Travel Office, 143 New Bond Street, London W1Y 9FD.

Gardening

New fungicides and insecticides

BY A. G. L. HELLYER

SO FAR this has been a good year for roses, with very little disease in evidence and plenty of good quality blossom. I am sure that roses enjoy warm, sunny conditions, which is not surprising when one remembers that most of the species or ancient races of uncertain parentage from which our modern varieties have been developed came from much warmer parts of the world.

Spraying

But now that the weather has become cooler and there is more moisture in the air (though still nothing like enough in the soil in most parts of the country) it is likely that mildew and black spot will become more troublesome and that more frequent preventive spraying may be necessary.

There still seems to be uncertainty as to whether the new systemic fungicides are really more efficient than the old surface protectants in controlling these and similar diseases.

I have used nearly all of them, including benomyl (sold as Benlate), triforine (sold as Dr. Gesal's Rose Mildew Preventative), thiophanate-methyl (sold as Murphy Systemic Fungicide) and chloramformethan (sold as Milfaron) and have been satisfied with the results.

But I do not grow a great number of rose varieties, and in general avoid those that have a bad reputation for black spot or mildew susceptibility and am unable to have proper control plots such as would be essential in any scientific experiment. The results of some of my friends and colleagues confirm my own, but others disagree, saying that they find one or more of the systemics useless and have reverted to older surface fungicides such as maneb or thiram.

There does seem to be a fair amount of evidence that systemic fungicides, like some systemic insecticides, are liable to allow resistant strains of a disease to become dominant much more readily and rapidly than the old type, non-systemic chemicals, and perverse though this may sound, this may actually be evidence of their efficiency.

The explanation is that all populations, including the various organisms that cause disease, are mixed. In this mixture there is likely to be a proportion of individuals, perhaps infinitesimally small, which have a natural resistance to a particular chemical, however lethal this may be to the rest. If it is so lethal that only the resistant individuals remain, they will have the field to themselves, will breed unrestricted and unpolluted, passing on their hereditary resistance to their offspring and soon they will be the dominant race.

A less lethal chemical will leave sufficient survivors to ensure that a mixed population continues and that the resistant strains have little chance of staging a complete take-over.

Ring the changes

All this is good reason for never relying entirely on one fungicide or insecticide, but to ring the changes on two or more, on the principle that what escapes one may be killed by another. It is also good reason for not spraying unnecessarily or too frequently, and personally I would not be happy to use any systemic at less than three week intervals, though I know that some authorities claim fortnightly application to be more efficient and perfectly safe.

With some pests more frequent application of non-systemic insecticides is essential because of their mode of life. White fly is a notorious example since it passes through four stages, egg, larva (or scale), pupa and adult, and I have yet to hear of any chemical that does more than kill the adults.

So to eliminate white-fly one must spray or fumigate sufficiently frequently to ensure that no adult survives long enough to lay eggs and sufficiently persistently to be sure that the last egg that was there when one started has been through the intermediate stages, emerged as an adult and been killed.

I must confess that I have never yet achieved this happy end, though I am hoping that a new insecticide, developed at the Government controlled research station at Rothamstead and named resmethrin, will get me nearer to it than I have ever been before. It is closely allied to the active insecticidal chemical in pyrethrum and is said to be as safe but many times more effective. I have been using it for a few weeks in a liquid formulation named Bio Spray Daynd and am impressed by results so far.

Resmethrin is not a systemic chemical, that is, it does not enter the sap of the plant but, to be effective, has to come directly into contact with the insects it is intended to kill and it is quickly dissipated leaving no harmful residue behind.

The spraying must be very thorough and with white fly this can be difficult since they congregate mainly on the undersides of the leaves and fly out as soon as they are disturbed. However, I find that with care and a fairly powerful syringe I am able to hit most of them and certainly, having started with a rather bad infection left over from last year, I do seem already to be getting the upper hand of this very troublesome pest.

Even better

I am told that there is an allied chemical named bio-resmethrin, also developed at Rothamstead, which is even more efficient and that this is available under the trade name Cooper's Garden Spray in an aerosol pack ready for immediate use, but I have not yet been able to obtain this.

For those who possess the Turbair type of power operated micro sprayer necessitating the use of chemicals in oil suspension, resmethrin is also available in that form from Pan Britannica Industries. This powerful new insecticide is not simply a white fly killer but appears to be effective against a wide range of insects, including aphids of all kinds, and ants.

Scottish divorce plea is rejected

MR. WILLIAM ROSS, Scottish Secretary rejected a suggestion yesterday that he should introduce Government legislation on divorce law reform for Scotland.

He told Mr. William Hamilton (Lab., Fife Central) in a Commons written reply that he agreed with the view of successive Governments that, because of the deep moral and religious issues involved, divorce law reform legislation was more appropriate for introduction by a private MP than by Government.

Mr. Ross said that the Government's legislative programme was already heavily committed for both the present and forthcoming sessions of Parliament.

"The Government remain willing to provide support in terms of drafting assistance to any private Member wishing to introduce legislation on suitable lines."

New Bills in both the Lords and Commons to remodel Scottish divorce law on the lines of the English law, which was changed in 1969 making irretrievable breakdown the only ground for divorce, are in the present session being lost because private MPs' time has run out.

Grants for students raised

AN EXTRA £3m. of public spending, in the form of 20 to 23 per cent. increases in post-graduate students' grants, was announced in London yesterday by Mr. Fred Mulley, Secretary for Education and Science.

The main rate of grant—for students living away while attending institutions outside London—will go up in the autumn from £880 to £1,085 a year. The rate for London will rise from £960 to £1,180. The grant for students living at home will be increased from £660 to £790.

The rates of increase for the post-graduate students are in line with those for undergraduates, which were announced in May.

PETITION TO SAVE THEATRE

Councillor Mrs. Ivy Matthews, Lord Mayor of Nottingham, was handed a petition yesterday with 24,000 signatures calling for the city's Theatre Royal to be kept open.

Moss Empires say the 19th century theatre is running at a loss and cannot be kept open indefinitely.

ENTERTAINMENT GUIDE

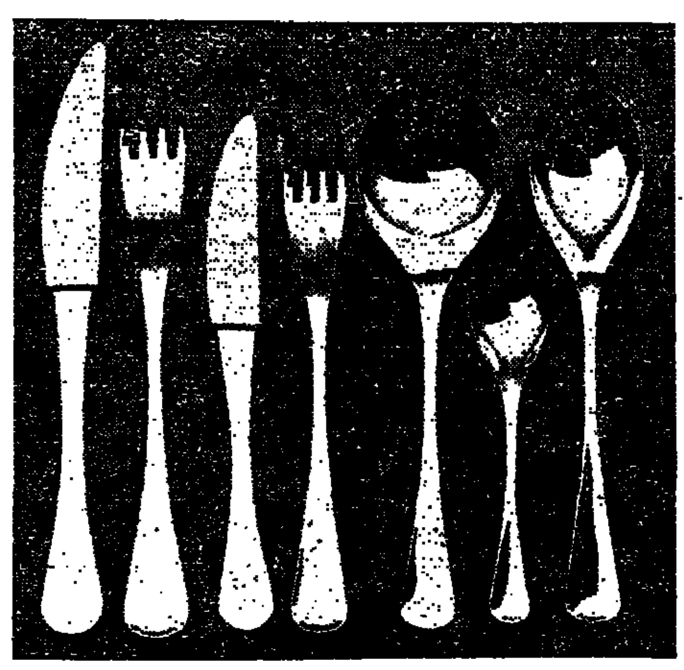
OPERA & BALLET

THEATRES

CINEMAS

هكذا من الأصل

How to spend it by Lucia van der Post



Silver lining

Old Hall has until now been known primarily for its stainless steel ware, which is not a material I personally am very fond of. However, two years ago, recognising a gap in the market, in particular a need for everyday tableware that was less expensive than sterling silver and yet more luxurious-looking than stainless steel, they commissioned one of our leading silversmiths, Robert Welch, to design this silver-plated cutlery. It is called the *Alveston* range.

***Now to complement the cutlery, they are bringing out a further* collection of tableware in silver plate. I think the range is an outstanding success. It is extremely reasonably priced (having just been looking at wedding presents for a series of friends getting married, these prices compare very favourably with what I saw) and has a distinction of design which should mean that it should continue to please over the years.**

In our photographs we show a set of the cutlery, which I think is particularly appealing, combining simplicity with charm in a happy way. The seven-piece setting is £18.85.

***In the other photograph* we show a bowl and jug from the new range and though they are shown here being used for sugar and cream respectively they can in fact be used for flowers, sauces, sweets, nuts, and so on.**

The bowl is £7.20 while the jug is £8.90.

To complete the collection, but not shown in the photographs, there is a sugar dredger, a small vase, three bowls, one small, one medium size, one large. There's a large and a small goblet, a long candlestick, an ash tray, a candle lamp (again, outstanding value at £17.70 for such a grand-looking object), a napkin ring and some wine labels.

The complete range will be available from the end of next month from most good gift shops, departments and jewellers, but if in difficulty write to Old Hall Tableware Limited, Bloxwich, Walsall, Staffordshire WS3 3HH.

● Having learned to cook the hard way, that is from scratch after I was married, I often think how lovely it would have been to have been properly taught from the beginning. The way an expert chops an onion, separates an egg, knows to a nicety just how much flour in relation to butter is required for a soufflé, can reveal in a flash the difference between the struggling amateur and the competent professional.

For those who want to learn to cook the proper way, who have high standards in their private life or want to take it up in a professional way. Prue Leith, of Leith's Restaurant and Leith's Good Food, her catering business, has opened a School of Food and Wine with its first pupils due to start in October.

The fees are not cheap, but then neither are ingredients any more and nor is competent teaching staff. They range from £30.00 for five classes in dinner party cooking (evenings, 6.30 to 9.00) to £1,000 for a full year's course in both food and wine.

There are also single-term courses with a ten weeks course leading to a Beginner's Certificate costing £325, an 11 weeks Intermediate course for £350 and an 11 weeks Advanced course for £375.

There is also a four week intensive course for those who haven't all year to give to the subject.

Anybody who is interested should write to Leith's School of Food and Wine, 36a, Notting Hill Gate, London, W.11.

Photograph of Jonathan Kemp on the left and a head of the same boy by Ian Hanson on the right.

Ian Hanson is a sculptor who is having considerable success, particularly in the Midlands where he lives, but also further afield where he has had commissions to do a bust of Churchill, the late Rafael Trujillo, and many other international figures. I'm no art critic but it seems to me that the busts do have a quality that many people expect from a sculptor when they commission a head—and that is, a very close resemblance to the head of the living person.

I have looked at a whole range of his work, from young children, to beautiful young women, less beautiful women, ageing men and women, and he seems to me to have a definite way of capturing a true likeness.

He seems to work remarkably quickly, completing his part of the work in about three weeks. He is willing to visit any part of the country. His fee of £300 (plus VAT) per head includes all visits, all photographs, all materials. Once he has finished his part of the work (and the customer is shown drawings and photographs or the actual work in progress to see if he likes it as the work progresses) the foundry takes a further eight weeks to produce the finished head.

Besides doing heads he has also done several horses and for these he charges £450 (plus VAT).

Anybody who is interested in commissioning a head (or a horse) should contact Ian Hanson at Broomhill Studio, Holywell Green, Halifax, Yorks.

If you want to see his work he has a big collection on display at the Game Fair at Chatsworth House (it opened yesterday but is still on to-day, from 9.30 to 6.30 entrance fee is £1.50 for adults, 50p for children under 14).

Letter from Paris

THE "CRISE" has wrought quite a few changes in the habits and life style of Parisians.

For one thing, more people leave their cars at home and travel by Metro which is getting to be crowded at all hours of the day. A book of first-class Metro tickets is, therefore, an excellent investment.

Famous restaurants, on the other hand, are decidedly less crowded: when a meal is rarely under £10, even expense account patrons feel embarrassed by the size of the bills.

Restaurant prices are now frozen and wine lists have been revised downwards as a goodwill gesture—none the less Parisians tend to eat out less unless it is in a newly-fashionable cheap bistro such as Bigornaux, Rue Montdetour (near the former Halles), Macdonald in the Champs Elysées, or Dodin Bouffant off the Place Maubert.

Still popular, too, are medium-priced restaurants that offer good regional cooking, such as the Lyonnais, 32, Rue St. Marc, near the Opera Comique.

There are fewer official functions and also far less private entertaining. A dinner party in a Parisian home has none the less remained true to tradition where culinary and sartorial standards are consistently high. The well-dressed women of Paris refused to listen to the exhortations of their Minister Françoise Giroud who had been suggesting to no avail that the "Crise" should dispense women from following fashion changes with quite the same alacrity as before.

Parisians of both sexes responded in a confused way to the Government's message to *save more and consume less.* They spent recklessly at the non-stop sales which all the department and multiple stores had been running for months on end, and yet succeeded in totting up record savings deposits in their banks.

But there is more confusion ahead: The recent worsening of the unemployment figures is currently leading the Government to revise its attitude to domestic consumption, and suggests a new commitment towards heavier consumer spending to boost flagging production in many manufacturing industries.

Where holidays are concerned, Parisians are rarely in doubt what to do. Last winter more people than the year before decided they could afford a winter holiday, and this summer, too, more are going away than previously.

Women continue to dress well and the fashion industry has not *yet fallen victim to the oil crisis.* The 20-odd fashion houses spent £2m. to put on their spring show, and window shopping in the Faubourg Saint Honoré is as enchanting a pastime as ever. The crisis has even given birth to an altogether novel alliance between the Haute Couture and wine when 15,000 bottles of claret, labelled Pierre Cardin, were shipped to promising overseas markets to promote the couturier's collection.

Apart from the novelty of coming across a Marks and Spencer store opposite the Galeries Lafayette, the other revolutionary change has occurred around the Porte Maillot. If you are curious to see what the urban planners have been up to in recent years, have a drink at the panoramic bar on the 33rd floor of the Concorde-Lafayette Hotel. It is from this comfortable vantage point that the surprise is *greatest, and the discovery of a* Manhattan-like Paris at its most thrilling. It was fortunate that this skyscraper block, also called the Palais des Congrès, was terminated just before the oil crisis. It now houses the most up-to-date concert hall in Europe, the town terminal for Charles de Gaulle airport, banks, cinemas, conference rooms—and a splendid shopping centre where you will want to spend an hour.

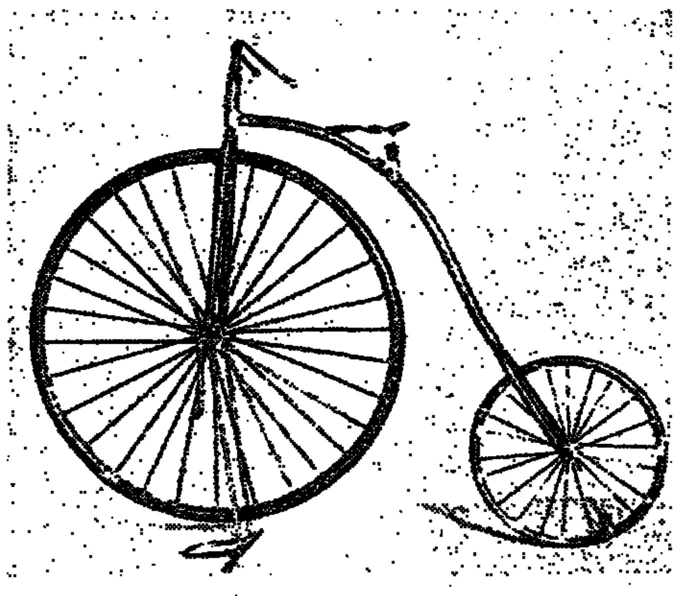
What I admire most about it is its consistently good taste. There are hundreds of boutiques, only some of which are branches of well-known shops in Central Paris. This makes for an original selection of merchandise that is competitively priced, and to tourists often duty-free.

Daimaru, the Tokyo department store, opened its first European shop here, complete with a Japanese food department *that is much patronised by the* Japanese colony. But you don't have to be a seaweed fanatic to enjoy Daimaru for it has an intelligent selection of Japonica, such as beautiful writing paper you can't get elsewhere (Frs.10) toys and mobiles and an immensely practical lightweight shoerack (Frs.15.5) as useful in a London bed-sitter as in Japan.

At one of the better antique shops (Jardin du Temps) I spotted a rare collection of fans from the 18th Century up to Paul Poiret (starting at £25).

At Jade, there are lovely dresses made up in handprinted silks and cottons, unavailable elsewhere, from £25 onwards. There are wine shops, art galleries, the only boutique in Paris selling my favourite French chocolate, Weiss from St. Etienne, a hairdresser and even a chapel.

BEATA LEVY

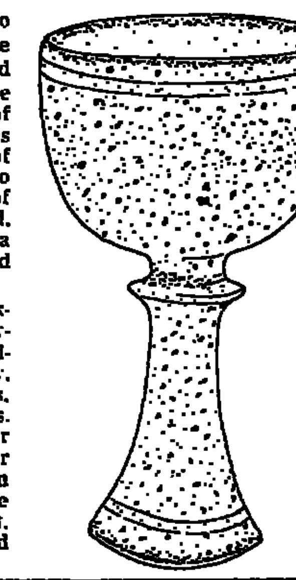


Belidor is a newish boutique at 9, Rue Belidor, 75017, Paris specialising in presents of all sorts, accessories for the house, lights, one-off works of art as well as limited editions. They try to find unique pieces of craft-work and amongst the things they sell are a series of vintage models of cars and bicycles, made in *welded metal and exact in every detail. They cost from Frs.150* upwards and measure about 4-6 inches.

***Also from Belidor is this family of cuddly sheep to keep children* happy and pyjamas tidy. They cost between Frs.55 and Frs.310.**

● The crafts movement seems to be growing apace with the desire for something hand-made and original overtaking the erstwhile intoxication with the products of the technological age. Selfridges currently have an exhibition of country crafts (as I wrote two weeks ago) and now Heal's of 196, Tottenham Court Road, London, W.1, are holding a special crafts promotion called Your Country Matters.

They have scoured little workshops all over Britain and everything in the exhibition is hand-made. There will be pottery, jewellery, toys, treen, brass, baskets and appliqued cushions. Prices will range from 35p for a small finger puppet to a silver brooch at *£14.50,* whilst in between there will be things like this grey stoneware goblet, banded with blue, by David Lloyd Jones, for £2.80.



● Sanderson, the famous wallpaper and fabric firm, of 49, Berners Street, London, W.1, has entirely reorganised its showrooms in Berners Street so that it should be infinitely more useful to those furnishing or refurnishing.

Sanderson are now aiming to make the Berners Showroom much more of a source of complete home furnishings. Carpets, light fittings, fabrics and even contemporary art (including the work of students at several leading London Art Colleges) can all now be bought on the spot.

There is an accessories counter where everything needed to make curtains, the tape, the fixings, the rings and so on, can *be bought. There is also* a made-to-measure service and an advisory studio where trained interior designers can be consulted.

Short listed

● Last week I listed some ideas to keep children occupied during the long summer holidays but there were two that I didn't have room to mention that are particularly useful for children who are going on a beach holiday.

Stonecraft is more or less what it implies—a kit to enable children to fashion the stones they find on the beach or in the earth into objects of beauty. In the kit comes a stone tumbling machine which is powered by an electric motor, plus three grades of grit and a special filler and polish. The stones need to be put into the tumbling machine for a long time to smooth them down to bring out their true quality but all instructions are included in the kit. There is also a selection of jewellery fittings and adhesive as well as a bag of rough, semi-precious stones.

The only problem I can see is that it's the sort of hobby that people seem to become obsessional about and once they start on it there is a whole range of accessory kits to entice the enthusiast. However, certainly stone-collecting is an innocent enough hobby and with the aid of the Turner's Stonecraft kit, much pleasure can be obtained.

Available from most good quality toy shops (Hamley's of Regent Street, Harrods etc.) it sells for £9.95.

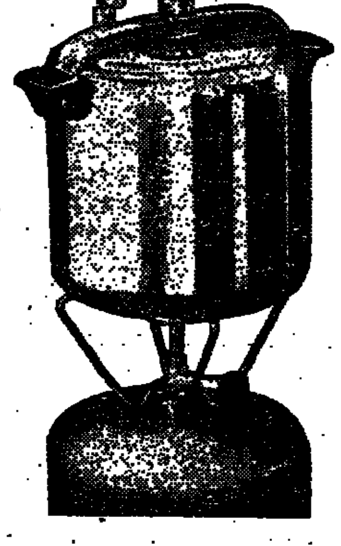
● Also by Turners is Plasticraft which offers a simple method of setting any summer holiday souvenirs like stones, shells, dried flowers, in plastic. The resulting object can then be used as a key ring, a paperweight or an ornament and they make good individual Christmas presents as well. There are three grades of kit and which you buy depends on how often you think you will use it. The starter kit contains 300g of liquid plastic plus ancillary accessories and costs £2.75. The standard kit is probably the best size to start with, offering 600 g of liquid plastic and a variety of accessories for £3.75. Finally there is Super Plasticraft which is a more advanced kit containing 1,200 g of a "super" plastic making it possible to make larger and clearer castings, as well as three large moulds and a variety of colour possibilities. Super Plasticraft is £5.75. Again all the Plasticrafts are available from good toy and craft shops.

● Those who know Artesania, the shop specialising in unique Spanish furniture and furnishings, might like to know that they now have a larger space in which to display their wares. They've found a redundant Victorian Gothic church in Wren Road, Camberwell Green, London, S.E.5, and are using it as a combined warehouse/display area which they are opening to customers between 10 a.m. and 6 p.m. from Mondays through to Saturdays. As the King's Road shop has always been on the small side this should be a good opportunity for potential customers to see the large pieces well displayed. As an extra bonus there is also the pine furniture of a firm called Scallywag to be seen in the church as well.

● The major drawback of a camping holiday it seems to me is the food. Cooking over one, or even two, small flames, doesn't usually make for the most scintillating of meals and it's on holiday that most people have time and inclination to work up something of an appetite.

Normally I'm not a great fan of pressure cookers. I feel that they leave most food somewhat limp, but for holiday purposes a pressure cooker could solve a lot of problems. A good casserole or even a complete meal can be cooked in a very short time over a single flame. They are very good for making soups and stocks and anybody camping out in England usually has much need of good hot soup.

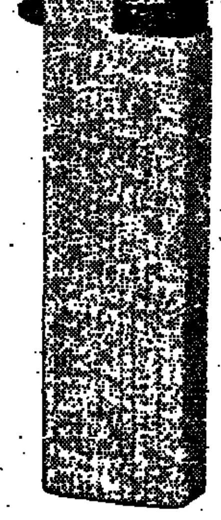
This neat $9\frac{1}{2}$ pint model pressure cooker is made by Skyline and comes with a cooking trivet, a set of three food separators (so that three different foods can be cooked simultaneously over a single flame) and a recipe and instruction leaflet. Those who haven't used a pressure cooker before often find them terrifying—in fact they are easy to use once the method is grasped and one gets used to the sound of the steam escaping. This model is £12.65 and is available from most good kitchen departments.



● My attitude to many of the small necessities of life, like watches, lighters, pens and so on, is that I like them to be very beautiful, very expensive ones that are a joy to have and to look at, or else, if I can't have the very best, I like to have them cheap enough so as not to have to worry about them. In other words, biros, disposable lighters and the like.

Here is a lighter that is all that could be expected of a disposable one—it's cheap enough to use and not mind if it gets lost and it's absolutely unpretentious in its design. It comes in five colours, pink, blue, green, brown and white, has an adjustable flame and a flint that should last several months after which the lighter has to be thrown away.

It's called the Solo, is made by Sim and is available from most leading tobacconists and newsagents. It is 75p.



● Afia Carpets, of 81, Baker Street, London, W.1, whom I've mentioned before (remember the carpet rake?) are now offering some very useful, practical bathroom carpeting. I have to say straightaway that some of the colours are quite horrible (there's a particularly nasty bright pink and bright green) but others are very good and I particularly like the plain dark chocolate brown.

The carpet is intended to be laid by the buyer. It comes in a small polythene case in two sizes, one of which should suit all but the most lavish of bathrooms. The carpeting (called Paramus) can be cut with *ordinary scissors and is laid* directly onto the bathroom floor, though if the floor surface is very uneven it is suggested that rubber be laid first. No glue, binding or tacks are necessary because the waffle backing prevents the carpet slipping about. There is nothing that could rot if it gets water-logged and being made of 100 per cent. Nylon it can be washed many times, even in the washing-machine, which makes it perfectly possible to have even a white carpet in the bathroom.

I haven't actually tried washing my carpet yet but it is certainly true that it has been splashed over many times and is none the worse for the experience.

The two sizes of packs are enough carpet for a room 5 feet by 6 feet (£14.95) or enough for a room 5 feet by 8 feet (£19.25). There are 12 colours (much the nicest in my view is the brown, but there is also lime green, tangerine, yellow, olive green, pink, gold, dark blue, black, white, lilac and aqua blue) and if you can't get along to Afia carpets to see it they will send packs by post for an extra £1.15.

CHESS BY LEONARD BARDEN

ANATOLY KARPOV's first game *in Russia as reigning world champion* proved quite an occasion. Karpov was playing top board for Leningrad in the annual Spartakiad team contest and missed the opening round so as to appear as the newly crowned champion against Boris Spassky on the second day.

Last year, Karpov defeated Spassky in a world title eliminator with a better percentage than Fischer scored against the same Spassky in the famous match in Reykjavik.

The Karpov v. Spassky game was thus a real prestige struggle and, as in Yugoslavia last month, *Karpov showed himself a true* champion by a win containing several instructive aspects for both masters and average players.

White: A. Karpov. Black: B. Spassky. Spartakiad, 1975 (Queen's Indian Defence).

The opening moves were 1 P-Q4, N-KB3; 2 P-QB4, P-K3, 3 N-KB3, P-QN3; 4 P-KN3, B-N2; 5 B-N2, B-K2; 6 N-B3, O-O; 7 Q-B2.

Karpov often starts with the king's pawn, but in last year's match he several times switched to queen's side openings and found Spassky underprepared *(curiously Fischer also caught* Spassky on the hop with queen's side openings in Reykjavik).

7 . . . P-Q4; 8 PxP, NxP.

The alternative 8 . . . PxP leaves Black's QB blocked by his own pawn, and White can then increase the pressure on the centre by N-K5-Q3-B4.

9 O-O, N-Q2; 10 NxN, PxN.

11 R-Q1, N-B3; 12 N-K5, P-B4; 13 PxP, BxP.

More obvious is 13 . . . PxP, but then Black has "hanging pawns" which White can shoot at by N-Q3-B4 followed by Q-N3 and R-Q1.

14 N-Q3, B-Q3; 15 B-B4.

A lesson in technique; White *swaps off Black's more active* bishop before continuing the attack against the QP.

15...R-K1; 16 P-K3, N-K5; 17 BxB, QxB; 18 N-B4, QR-B1; 19 Q-R4, Q-K2; 20 QxP! NxBP.

Spassky has based his counterplay on this resource (if 21 KxN? QxP ch; 22 K-B1, R-B7 wins), but Karpov has seen one move further....

21 NxP, BxN; 22 QxQ, NxR; 23 R-QB1!

A sophisticated version of the back rank mates which many novices miss; Black naturally cannot take either rook or queen. Probably Spassky had only expected 23 QxR ch, RxQ; 24 RxN, BxP with an easy draw; or else he had reckoned on 23 Q-N4, BxB; 24 KxB, NxP ch when his rook and knight have good chances to draw against White's queen. But Karpov's tactical surprise gains both an open file and an extra tempo; and this proves sufficient margin between the draw and the win.

23 ..R-N1; 24 Q-N4, BxB; 25 KxB, NxP ch; 26 K-N1, R-K3; 27 Q-KB4, R-Q1; 28 Q-Q4!

Again using the back rank theme to force the exchange of a pair of rooks. *White's trump is* the potential passed QRP, but if Black could keep both his rooks he would have chances either to blockade this pawn or create counterplay on the white king.

28...R(Q1)-K1; 29 Q-Q7, N-N5; 30 R-B8, N-B3; 31 RxR ch, RxR; 32 Q-N7, R-K3; 33 Q-N8 ch, N-K1; 34 P-QR4!

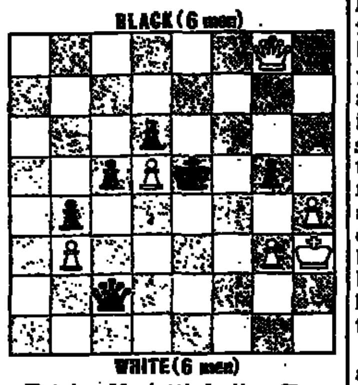
At last the decisive advance. Spassky makes a few more token attempts at a blockade or at sacrificing his knight for the pawn (when the endgame with queen and two pawns against rook and three on the same side of the board would still be a draw) but the Karpov technique is faultless.

34 ..P-N3; 35 P-QN4, K-N2; 36 Q-N7, P-R4; 37 P-R3, K-B3; 38 K-N2, R-Q3; 39 P-R5, PxP; 40 PxP, R-K3; 41 P-R6, N-B2; 42 P-R7, R-K2; 43 Q-B6 ch! K-K4; 44 K-B3! Resigns.

Black is movebound. 44...K-Q5 loses to 45 Q-B6 ch, and otherwise he soon runs out of pawn moves.

POSITION No. 72

BLACK (6 men)

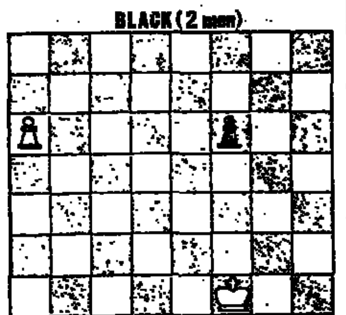


WHITE (6 men)

Tatai v. Mariotti, Italian Championship match 1972. Queen endings are notoriously a test of patience because of the numerous checking possibilities. At first sight, this diagram looks no exception; but Black (to move) found a neat forced win. How should the game end?

PROBLEM No. 72

BLACK (2 men)



WHITE (2 men)

White mates in five moves at the latest, against any defence (by E. Pogosjanz, 1970). This is *about as mini a miniature as you* can get in a chess problem, but the solution is not quite so obvious as it looks.

Solutions Page 4

Property and housing

Down around your ears

BY JOE RENNISON

THE SUBJECT of what the prospective owner of a property should know about his expensive purchase is highlighted this week in the latest issue of The New Future, the house magazine of Humbert Flint, Rawlence and Squarey. On the theme of *caveat emptor* Mr. T. G. L. Birch who heads the firm's Salisbury office emphasises the need for a structural survey to be carried out before a purchase is made.

Surveys made independently are an expensive business but are in most cases not only worthwhile but essential. As Mr. Birch points out, the customer is most likely to be lulled into a sense of false security when confronted by a modern property. As he puts it: "The property which appears to be in good condition is very often the property which should be surveyed rather than the derelict house in which the roof has collapsed and the walls are falling down. A purchaser does not need a surveyor to tell him that the wreck needs rebuilding but he does need to know that all is as it *appears* to be in the newer property."

Now while one would expect a member of the profession to to give such advice—surveying work is after all part of their bread and butter—it must be seen as good common sense. A *house is the most expensive and* most precious possession in more than simply the monetary sense held by most people. It would be a tragedy if after buying a pig in a poke one found the animal to be blind or lame.

Better condition

But it is wrong to assume that an older house will have more defects than a new one. Some old properties, particularly of the stone-built kind are in a much better condition than a new house and likely to remain *so for much longer.*

There is no legal reason why a survey of any kind should be carried out before a sale is negotiated. If one is buying for cash one can simply hand over the money, wax lyrical about the views, the neighbourhood *in general*, the proximity of the house to the local pub and collect what seems to be the house of one's dreams.

If one is buying on a mortgage the situation is different. The building society will insist on carrying out a survey of the house. They have to protect their own interests in just the same way as the buyer should. The house is the collateral against the debt incurred and they want to make sure that it is not they who are getting the pig in the poke.

Building societies

But it is here that the difference between a survey and a structural survey emerges. Mr. Birch makes the point that a purchaser should never rely on the fact that the building society surveyor has recommended to his society that the building is in a sufficiently good condition to *justify* a mortgage being advanced.

The building society's survey is not a structural survey but simply a valuation. "His inspection is usually carried out comparatively quickly and his comments are usually limited to defects which are easily ascertained. He is only concerned that the amount of the loan on the property is covered by the security and that the purchase price is reasonable. Furthermore, his report is confidential and he may report defects to the society which are not passed on to the purchaser."

There is no fixed scale of fees for a structural survey so it is difficult to estimate what the bill will come to. But the Royal Institution of Chartered Surveyors informs me that the likely fee for a survey on an average *three-bedroom semi*, which on average nationally gives just over 1,000 square feet of living space, should be about £40. I chose the typical semi as an example simply because it is the most easily identifiable —if sometimes the most regrettable architecturally—unit of the nation's housing stock.

Readers might from that figure be able to make a guess at what their own particular dream house will cost to survey. It will obviously depend on the size, age and condition of the building.

The size of the fee will also depend on exactly what the customer wants of his survey. It is important that he gives the surveyor the right instructions. It is quite possible to make a structural survey and not report on, for example, the drains or the electricals. Before asking for a structural survey there is no harm in asking your local professional firm what it is likely to cost and telling them just how much you think needs to be looked into.

The only trouble about having a structural survey done is that in many cases it is hardly likely to make pleasant reading. The surveyor must of necessity use some technical language and this tends to frighten the layman. What might mean in the language of the business that there is a small and unimportant crack in a non-load-bearing wall could to the average reader seem to mean that the whole house will fall down about the buyer's ears.

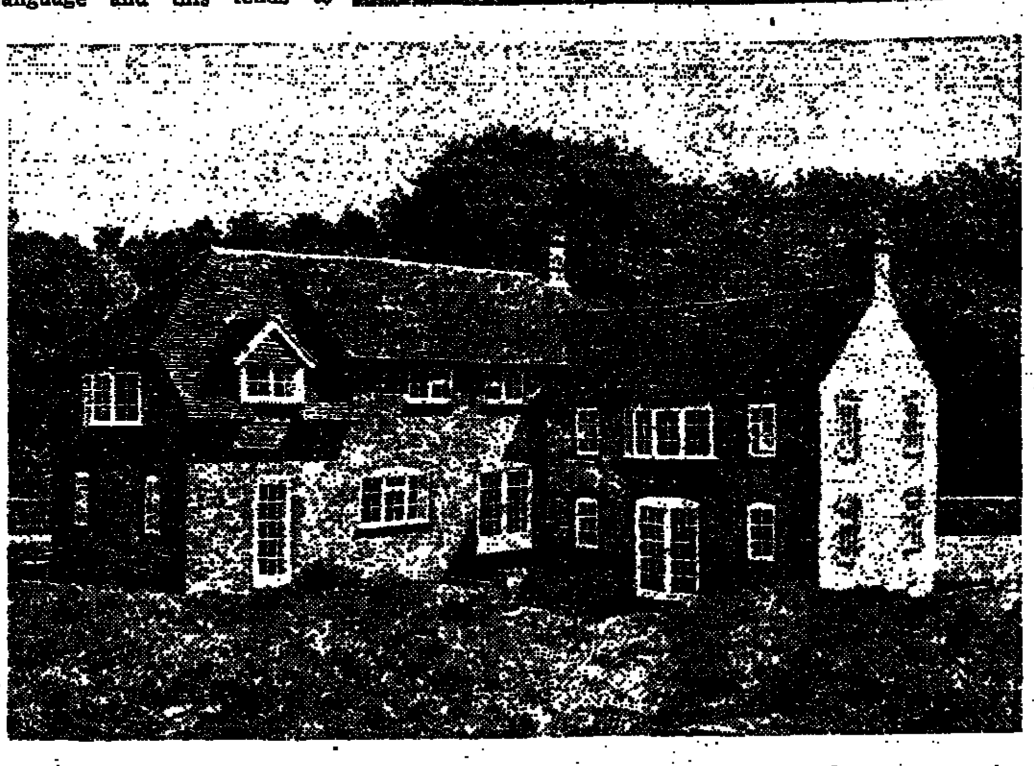
The whole business of the cost of such a survey and what should be looked into has yet to be regularised. The RICS is at present attempting to produce a booklet for the guidance of potential customers. So far they have failed to gain a consensus of opinion from their members on the subject. It is to be hoped it will come soon.

The final word on cost can remain with Mr. Birch. He points out that there are many additional costs in house purchase apart from the actual purchase price. But he adds: "A house is probably the most expensive thing a person buys in a life time, yet when it comes to checking the condition of the object of such immense capital outlay it is staggering how many people who can ill-afford it decide to take a gamble and purchase without a survey in a vain attempt to save another fee."

The problem of the survey is only one of a series of complicated and expensive problems encountered when buying a house. It can be a tiresome business. For those intending to buy for the first time or even for those intending to sell and buy a new home, a little preliminary reading on the subject could save time, money and nervous energy.

Two publications on the subject are particularly useful. The first is the Consumers' Association publication "The Legal Side of Buying a House." This can be obtained from the Subscription Department, Consumers' Association, Caxton Hill, Hertford, or over the counter at the Association's offices at 14, Buckingham Street, London, W.C.2: price £1.50.

The other is "Your Home and the Law," by Trevor Aldridge, published by the Law Society and Oyez Publishing. It is available at bookshops and costs £1.50.



Guinea Hall (above) is near Ashford in Kent. Apart from the obvious attraction of gracious living, it does have its own swimming pool and associated facilities. Around £200,000 is being asked for the whole estate if the potential buyer decides to take all of the land. It can be bought for less if the buyer takes not less than about 15 acres since this is considered to form, with the house, an indivisable entity. Agents: Boyd and Boyd, 21, Beauchamp Place, S.W.3. Church Cottage is at Egdean, Sussex. The house originally consisted of two stone-built cottages and has been converted by the present owner. It is set in idyllic countryside with good views over the surrounding territory. It has four bedrooms and two bathrooms. The grounds extend to about half an acre. Agents: King and *Chasemore, Pulborough.* Price: about £50,000.

FINANCIAL TIMES SURVEY

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CAPITAL TRANSFER TAX

The introduction of capital transfer tax has been met with a barrage of criticism from those likely to be affected by it. Confusion about how it works is only now beginning to be sorted out.

Now you see it, now you don't

ESTATE DUTY was introduced into the United Kingdom in 1894. It was intended to be a modest tax to raise a limited amount of revenue and to be payable out of income without destroying the underlying capital assets. Over the years the rates of duty have grown to virtually confiscatory levels. Fortunately, those who had the *foresight* to dispose of their assets in reasonable time escaped the full impact of the tax, and it was said that estate duty was a voluntary tax. Nevertheless there must have been a lot of volunteers, because the yield of estate duty per head of population (an *actual* figure rather than a notional figure based on nominal rates) was higher than the yield of any corresponding tax imposed by our Continental neighbours and 2¼ times the Western European average.

It was generally accepted that our estate duty legislation was in need of reform. It was hoped that a broadening of the tax base would be associated with a *material* lowering of the rates: in the event the top rate is reduced, but only from 80 to 70 per cent.—the other reductions do little more than compensate for fiscal drag. It had been hoped that any changes in the law would have come after a civilised period of discussion following the procedures used by the last Conservative Government for the reform of corporation tax and the introduction of value added tax: in the event the tax was announced to be effective from March 26, 1974 (later amended to March 27), but the legislation was not published until December 10 that year and even then it was so badly drafted that it had to be seriously hacked about by the House of Commons. There was thus a long period of uncertainty and taxpayers were subject to a penal law: "but no one to know what it is." It had been hoped that any tax would encourage the spreading of privately owned wealth; in the event the tax will merely destroy private capital and add to the already excessive concentration of wealth and power in the hands of the State.

Transfer

CTT is levied on any "taxable transfer" as defined (and which is not covered by an exemption) made on or after March 27, 1974. Tax is levied on an amount calculated with respect to the cumulative transfers made by an individual, and the estate passing on death is treated as the final transfer. The first £15,000 transferred escapes tax and thereafter each successive transfer is taxed at progressively higher rates as shown on the tables. Lifetime transfers are taxed on a lower schedule: this is effectively half the "death" rates up to £80,000, after which the differential narrows until on transfers in excess of £300,000 the rates are the same. The inter vivos rates apply only if the donor survives the gift by three years. If he does not, the difference will become due on his death.

The cumulative principle is best illustrated by a simple example. A gift of £50,000 would attract £3,875 tax. Any further gifts made by the *same* individual would take into account this first gift no matter how much later the gift was made. A further gift of £50,000 therefore would attract tax of £10,250. Another £50,000 would attract £16,000 and a fourth would attract tax at £21,250 (42.5 per cent.). If the donor died within three years of the fourth gift (but more than three years after the third) the 60 per cent. bracket would apply. The tax due would be £30,000 and a further £8,750 would be collected. Although CTT is normally payable six months after the end of the month in which the transfer was made (or the testator died), tax can be spread forward in certain circumstances.

Cumulation is with reference to the total amount given away by each *donor* regardless of whether his assets are given entirely to his eldest son or spread around widely.

Note also that the tax is based on gross transfers. The table shows that the (inter vivos) tax on £250,000 is £76,375. This assumes that the recipient receives only the net amount (£173,625) after tax. If you wish the recipient to receive £250,000—for instance you wish to give your son a farm or a valuable painting, paying the tax yourself, the liability would be £184,687, being the tax due on a gross transfer of £434,687. Once the top 75 per cent. bracket is reached the effective rate of tax calculated with reference to the net gift is 300 per cent.

Exempt

In contrast to the estate duty rules, transfer between husband and wife either during life or on death, are exempt from CTT. (This exemption only applies if both parties to the marriage are domiciled in the U.K.) Husband and wife are, however, still treated as separate individuals for CTT purposes. The impact of the tax on death can be somewhat reduced by husband and wife equalising their estates and each leaving his or her own half directly to the next generation, but this procedure brings forward the payment of tax. This procedure is discussed in more detail elsewhere.

Gifts of up to £1,000 in total per donor per annum and gifts of up to £100 per annum to any number of individual donees are exempt. Another article discusses these and other exemptions—for example the maintenance of dependants, "normal expenditure" gifts and gifts in consideration of marriage.

It seems likely that, as with estate duty, a high proportion of the disputes over CTT will concern valuation. In principle the taxable transfer is defined as the diminution in the value of the estate of the donor as a result of the transfer and not the actual value of the gift to the donee.

The CTT legislation is drafted on the assumption that virtually all trusts, and particularly discretionary trusts, are set up with the blackest of tax avoidance motives. As with the estate duty legislation, a transfer to a trust is an occasion for charge, but transfers out of trusts can also be taxed, and CTT can be levied even when there is no transfer at all. The use of trusts may therefore result in a double or multiple dose of CTT. Even those who think they are merely making simple and straightforward family arrangements and who might think there are no tax consequences, either favourable or adverse, should think again. As usual with tax avoidance legislation it is the innocent bystander who bears the full brunt of the fire.

If you give away an asset, the gift will be a chargeable transfer for CTT purposes. It will also be a "realisation" for capital gains tax purposes. Both taxes will therefore be payable on the same transaction. At present death is not treated as a realisation for capital gains tax purposes, so the double charge does not apply. The Chancellor of the Exchequer has threatened on several occasions to restore the charge on death.

John Chown
Taxation Correspondent

CAPITAL TRANSFER TAX RATES

The following tables show the cumulative effect of CTT for transfers on death and for life-time transfers made three years before death. The figures are expressed both in terms of the tax on gross transfers and the tax on net transfers. These figures do tie up with the tables just published by the Inland Revenue, but we have not adopted the somewhat archaic practice of expressing tax rates in vulgar fractions.

TRANSFERS ON DEATH

(1)

Gross transfer	Tax				
15,000	Nil	plus	10%	on next	5,000
20,000	500		15%		5,000
25,000	1,250		20%		5,000
30,000	2,250		25%		10,000
40,000	4,750		30%		10,000
50,000	7,750		35%		10,000
60,000	11,250		40%		20,000
80,000	19,250		45%		20,000
100,000	28,250		50%		20,000
120,000	38,250		55%		30,000
150,000	54,750		60%		350,000
500,000	264,750		65%		500,000
1,000,000	589,750		70%		1,000,000
2,000,000	1,289,750		75%	on excess	

(2)

Net transfer	Tax				
15,000	Nil	plus	11.11%	on next	4,500
19,500	500		17.65%		4,250
23,750	1,250		25 %		4,000
27,750	2,250		33.33%		6,500
35,250	4,750		42.86%		7,000
42,250	7,750		53.85%		6,500
48,750	11,250		66.67%		12,000
60,750	19,250		81.82%		11,000
71,750	28,250		100 %		10,000
81,750	38,250		122.22%		13,500
95,250	54,750		150 %		140,000
235,250	264,750		185.71%		175,000
410,250	589,750		233.33%		300,000
710,250	1,289,750		300 %	on excess	

GIFTS INTERVIVOS (THREE-YEAR RULE)

(3)

Gross transfer	Tax				
15,000	Nil	plus	5 %	on next	5,000
20,000	250		7.5%		5,000
25,000	625		10 %		5,000
30,000	1,125		12.5%		10,000
40,000	2,375		15 %		10,000
50,000	3,875		17.5%		10,000
60,000	5,625		20 %		20,000
80,000	9,625		22.5%		20,000
100,000	14,125		27.5%		20,000
120,000	19,625		35 %		30,000
150,000	30,125		42.5%		50,000
200,000	51,375		50 %		50,000
250,000	76,375		55 %		50,000
300,000	103,875		60 %		200,000
500,000	223,875		65 %		500,000
1,000,000	548,875		70 %		1,000,000
2,000,000	1,248,875		75 %	on excess	

(4)

Net transfer	Tax				
15,000	Nil	plus	5.26%	on next	4,750
24,375	625		11.11%		4,500
28,875	1,125		14.29%		8,750
37,625	2,375		17.65%		8,500
46,125	3,875		21.21%		8,250
54,375	5,625		25.00%		16,000
70,375	9,625		29.03%		15,500
85,875	14,125		37.93%		14,500
100,375	19,625		53.85%		19,500
119,875	30,125		73.91%		28,750
148,625	51,375		100.00%		25,000
173,625	76,375		122.22%		22,500
196,125	103,875		150.00%		80,000
276,125	223,875		185.71%		175,000
451,125	548,875		233.33%		300,000
751,125	1,248,875		300.00%	on excess	

CAPITAL TRANSFER TAX II

Foreign domicile

FACED WITH a tax which could destroy a family's assets or fragment a private business, people are thinking about emigation. In particular the young and ambitious are realising that, if they wish to achieve financial independence for themselves and their families they can do so with less frustration in more healthy fiscal climates. The new legislation *makes it more difficult, although* by no means impossible, to emigrate. There are also traps affecting those intending to return.

Liability to CTT, like liability to estate duty, follows "domicile" rather than "residence." Whether someone is or is not resident in the U.K. is a matter to be determined from year to year on the facts of the case. Domicile is a more permanent concept — someone born in England may continue to have an English domicile even though he works most of his life abroad. Many, possibly most, foreigners resident in the U.K. retain their non-U.K. domiciles. This applies also to those whose origins are in British overseas territories and the Channel Islands and the Isle of Man.

Under English (and Scottish) law an individual starts life with a "domicile of origin." He can only lose *this in favour* of a "domicile of choice" by a firm and clearly established decision to break his links with one country and re-establish permanent links in another *specific* country. This is a far more *serious* matter than a mere change of residence.

Until the beginning of 1974 a wife automatically took the domicile of her husband. This produced some odd results. An Englishwoman could marry an American living in England and find herself domiciled in Tennessee without ever crossing the Atlantic. Since last year a wife's domicile can be determined independently. For those already married at the end of 1973 the *existing status is assumed to* continue unless there is evidence to the contrary. Obviously if an American woman marries an Englishman and sets up home with him in England, this is strong (but no longer conclusive) evidence of intention to acquire a domicile here. If, however, after their marriage they were to travel extensively and perhaps live in third countries, the presumption is that they would each keep their respective domicile of origin.

The new legislation introduces a new concept of "deemed domicile," which applies for the purposes of CTT and for CTT only. There are three situations: Those who were domiciled in the U.K. on or after December 10, 1974, and who thereafter change their actual domicile will continue to be deemed to be domiciled in the U.K. for CTT purposes for a further three years. This postpones the period which must elapse before transfers can be made. In such circumstances it is obviously advisable to take out a temporary life assurance policy against the risk of death during that period. The Equitable *Life* Assurance Society has indicated the rates shown in the attached table. It is possible by paying a small extra premium to obtain the right to extend the cover if made necessary by new legislation without further evidence of health.

Life assured (transferor) man aged under	Sum assured £10,000 payable on death if within 3 years
30	£ 45.00
40	£ 61.80
50	£132.20
60	£292.20
70	£611.00

The second situation is that those who acquire domicile in the Channel Islands or the Isle of Man after December 10, 1974, will be treated as retaining indefinitely a "deemed domicile" for CTT purposes. However, there are certain exemptions *from CTT for assets acquired or* built up by the individual after acquiring an actual domicile in the islands. Where someone acquires domicile in the islands and subsequently acquires yet another domicile (a delicate *procedure), the three year* period would appear to run from the date of loss of the actual domicile within the U.K. rather than from the date of departure from the islands.

The third situation is that *U.K. residents of foreign* domicile who have been resident in the U.K. in 17 out of the 20 years previous to the year in which the transfer takes place are deemed to be domiciled in the U.K. However, residence *for this purpose is* determined without reference to the "place of abode" test. Someone of foreign domicile who has merely been technically resident, perhaps because he maintained a flat in London, will not therefore be caught for that reason alone.

There are penalties on foreign settlements, mitigated only if the settlor was genuinely domiciled outside the U.K. at the time the settlement was made. These require watching. A particular problem concerns those who have lived abroad for some years and who are contemplating returning to the U.K. Although they will probably have been non-resident for both income tax and exchange control purposes, they have probably retained their U.K. domicile. They may well be tempted (and possibly even advised by non-U.K. advisers) to give away assets or to settle money on their children before they return. In principle any such transfer on these facts is clearly within the CTT net, and great care should be taken.

Related

Another and related point to watch is that someone who has been living abroad and intending to come back to the U.K. may change his mind as a result of recent U.K. tax changes. Strictly his change of domicile can only date from his change of mind, which can be no earlier than the date of the publication of whatever proved to be "the last straw" legislation or the date at which he became aware of it. Such people may have to wait three years before they can legally make dispositions without liability to CTT. Obviously in their case the Inland Revenue will have great difficulty in either learning of the transaction or enforcing the tax. It is *not* safe to ignore the tax on these grounds unless you wish to give your heirs the choice between being criminals, exiles or heavy taxpayers.

As explained in other articles, the CTT legislation discriminates against discretionary trusts, including settlements with foreign trustees and settlements governed by the law of countries other than the U.K. Full U.K. liability will apply if the settlor or one of the settlors was at the relevant *time domiciled in the U.K.* The broadly defined term "settlor" includes any person who has provided funds directly or indirectly for the purpose of or in connection with the settlement or has made with any other person reciprocal arrangements for that other person to make the settlement. Even though a *foreign settlement* may apparently have a non-domiciled settlor, it is remark*ably easy to taint the settlement* by a non arms-length transaction with a U.K. resident.

CTT is levied on transfers to a settlement. In the case of discretionary trusts (even those in existence before the legislation), distributions by a settlement are also caught. Further, even where there is no transfer of capital, CTT will be levied every ten years as if 30 per cent. of the value of the settlement had been a transfer. Where the trustees are not resident in the U.K., the charge will be made annually on 3 per cent of the total value of the settlement. Existing discretionary trusts are given the opportunity, until April 1, 1980, of distributing to beneficiaries or of ceasing to be discretionary "interests in possession" on (comparatively) favourable terms.

However, this relief does not apply unless the beneficiary "is an individual who is domiciled in the United Kingdom at the time the capital distribution is made and resident (within the meaning of Income Tax Act) in the United Kingdom in the year of assessment in which it is made."

The CTT legislation does not apply where "property comprised in a settlement is situated outside the United Kingdom . . . unless the settlor was domiciled in the United Kingdom at the time the settlement was made."

John Chown

Small companies hit hard

IT SEEMS that the operation of capital transfer tax will severely hit the small businessman who wishes to pass the control of his operation on to, say, his children as he grows older. One of the biggest problems that will face him, or the donee, could well be the lack of liquid assets to meet tax liabilities and therefore to pay the tax, the control or even the whole business may have to be sold to another company.

The rigours of this tax can be illustrated by the light-hearted example described by Robert W. Maas in his guide to CTT. We can join the story where "Beaver" has been asked by *the animals of the forest to slow* down the current of a fast running river; in return Beaver will be able to set up home there. Beaver, of course, builds a dam and continues to maintain it for a number of years, until he is *asked by his brother to join him* in building another dam further along the river. Beaver accepts his brother's invitation, but before he goes passes the control of the original dam to his son to keep in good repair.

Some time later Squirrel, the taxman, approaches Beaver and says that the dam he left to his son must be worth at least 400,000 acorns, to which Beaver proudly agrees. Leaving Squirrel to counter that if it is grossed up to 853,928 acorns the CTT comes out at 453,928 acorns, plus capital gains tax, which at 30 per cent. represents an additional 120,000 acorns. Not surprisingly Mr. Maas' Beaver is rather perturbed that a dam worth 400,000 acorns represents a tax liability of 573,928 acorns. One must admit that it is an exceptional business which is increased in value from nothing to £400,000, but it provides an interesting insight to the plight of a hypothetical industrious businessman.

Parables aside, the problem of how to minimise its effect can be demonstrated by an imaginary case history produced by Estate Duties Investment Trust (EDITH). Here we have a chairman of a flourishing private company who owns 40 per cent. of the shares, his wife owning a further 15 per cent., and who wishes to give half of his shareholding to his son, the managing director. The CTT value of this business was £500,000 in 1965 on a minority basis, but now net tangible assets have reached £2m. and pre-tax profits are £300,000 per annum and the dividend is £60,000.

EDITH expects that the Inland Revenue would agree the following values, for a 55 per cent. stake worth £825,000 valueing the whole at £1.5m., downwards to a 20 per cent. stake *worth £175,000, valuing the* whole at £875,000. Assuming that the chairman just handed over half his shares to his son, he could find himself liable for CTT of about £490,000 and capital gains tax of a further £22,500. Although if the donee agreed to be liable for the tax payments, they could be spread over eight years it is unlikely that the family could get away without selling part of the shareholding, thus losing control. This would occur because, under the terms of the Finance Act 1975, the chairman's 40 per cent. and his wife's 15 per cent. would be aggregated as related property and valued as parts of a holding of 55 per cent., and CTT is calculated on the difference of the values of this figure and the remaining 35 per cent. after the son receives his 20 per cent.

The plan put forward from EDITH to assist in this sort of problem is based on the principle that EDITH can purchase 15 per cent. of the equity from the chairman and his wife for £135,000, reducing their stake to 40 per cent. before they make their gift to the son, hence reducing the CTT liability and at the same time raising funds to meet such a liability.

The arithmetic on this basis reduces the CTT liability to £91,806 if paid by the donor, but there are two CGT liabilities on the two transactions amounting to £40,500, which makes a total tax bill of £132,306, covered by the sale of a 15 per cent. stake. But, of *course, the family has lost* part of its 55 per cent. controlling interest.

Estate Duties Investment Trust is not the only one acting in this way, but as a claimed market leader its experience of a virtual flood of inquiries bears out how alive small businesses and even larger independent ones are to the problems created by the introduction of CTT.

Specialist

The trust has the advantage when sizing up prospective shareholdings of the specialist staff of Industrial Commercial Finance Corporation (ICFC) (which has a 41 per cent. stake in the group). One of the cardinal rules of the group, however, is to avoid large shareholdings, and most are around the 5 to 35 per cent. range and none are allowed to climb above 50 per cent. As regards management of the business, EDITH will never interfere, but does retain a contact so that should the business require assistance of any kind the trust can direct it if needed. Further, as the trust can only distribute capital profits to shareholders by way of scrip issues, it lacks that particular profit motive to push a company into, say, a stock market flotation or merger with a like group.

While this group of the economy faces stringent liabilities, some sectors have already been allowed some form of relief, most notably agricultural land and forestry.

The Government has recognised that the farmer would be faced with particular problems if he was placed in the position of paying CTT on the transfer of his farm land to his descendants, mainly because the value of farming land on which CTT *would be calculated* bears little relationship to the actual monetary yield from working that land. So presumably as the law stood the industry would have become increasingly fragmented as farmers sold off chunks of land to meet tax bills.

The relief offered to full-time working farmers is that the value of the land will be reduced for tax purposes to 20 times its rental value. However, the following conditions must apply before relief can be granted: (a) The agricultural property must be within the U.K., and this is spread to cover any woodlands on the property where the occupation is ancillary to the agricultural land; (b) The farmer must have been wholly or mainly engaged in agriculture for at least five of the preceding seven years before the transfer and three-quarters of his income derived from farming.

The overriding limit on any such relief is that the value of the land does not exceed £250,000 or 1,000 acres, which unfortunately means that the larger farms which the Ministry of Agriculture have been promoting are not offered any relief. Also there seems no incentive for non-working farmers and land owners to sink capital into their farms, and so tenant farmers who rely on these for sources of finance will be faced with a problem.

Even so the Government has made moves in the right direction, while on forestry land relief has been taken even further. Because of the length of time that it takes to bring trees to maturity, it could mean that CTT would have been payable several times over on the same trees as the land passes from generation to generation, in some cases without any monetary return. Obviously this would have driven the forestry industry into despair, but the Government has conceded the point, and now CTT is only chargeable on the last death before the timber is felled. There is the drawback that the value is calculated at the time the trees are felled rather than on the value when the timber was passed on, but nevertheless it is a more than useful concession that has been granted.

Terry Garrett

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CAPITAL TRANSFER TAX III

The trust minefield

THE TRANSFER of assets to a trust or settlement is a taxable transfer. This follows naturally from the estate duty legislation. As explained in more detail in *another article (on page 4)*, disposing of property by way of trusts can result in a double or multiple charge to tax. In the case of so-called "discretionary trusts" CTT is charged when the assets are put into the settlement, levied again when assets are taken out and the assets themselves are subject to a periodic charge, even if there is no distribution. This is obviously a very inefficient way of disposing of one's money, and only in rare circumstances will anyone now contemplate setting up a *discretionary* trust in the classic form.

Trust law is notoriously difficult at the best of times, which this is not. The CTT legislation dealing with trusts (Schedule 5) was misconceived in principle, badly drafted and inadequately debated. During the Committee Stage of the Finance Bill many detailed and closely argued criticisms were made by the Opposition. In response to some, but by no means all, of these criticisms the Government tabled no less than 27 amendments at Report Stage, making it in many respects a new Schedule. These amendments were tabled at the last moment and, thanks to one of those printing disputes which inevitably seem to accompany complex Government legislation, professionals had little chance to study them in advance of the debate. Furthermore, the Government (against the precedents on financial legislation) applied the guillotine procedure to restrict discussion. A completely redrafted 20 page Schedule therefore received only an hour and a half of Parliament scrutiny.

Not surprisingly, therefore, *the legislation is full of ambiguities and traps.* Nevertheless there are, and are intended to be, a number of circumstances in which *trusts* can be created without penalty. These will be discussed briefly below, but anyone contemplating setting up anything but the simplest of trusts should realise that they are entering a fiscal minefield. It is no use saying "the trust I am setting up it is not t discretionary trust as commonly understood; I have no intention to avoid tax, and therefore my little trust is harmless." As I have pointed out time and again over-kill anti-avoidance legislation, of which this is an example, is more likely to create damaging tax traps for the innocent than bring down its real target.

Properly constituted *charitable* trusts can still be set up without penalty. The application of funds for their proper *charitable purpose by such* trusts does not attract CTT. Furthermore, lifetime gifts to charities, including charitable trusts, are exempt from CTT provided that the donor survives the necessary three years. If he does not the "death" rules exempting the first £100,000 apply.

Victims

It might have been thought that the Government would have learnt its lesson a year or so ago when it became clear that on a strict interpretation of the law, the income of one of the trusts set up for thalidomide victims would be subject to investment income surcharge. It was quickly announced that this trust *would* receive concessional treatment, but nevertheless there was an intervening period *when the Government (through* no direct fault of its own) received a bad Press.

Superannuation schemes are, perhaps not surprisingly, usually exempted from the effects of CTT. Even here, though, the general principle applies—a "trust" (however described) is fiscally suspect unless it comes within one of the specific exempting provisions, in this case paragraph 16 of Schedule 5. There is also a provision dealing with trusts for the benefit of employees. This (paragraph 17) defers the operation of the periodic charge, and payments out of the trust are not *normally* treated as capital distribution for the purpose of the *double* charge to CTT. The exemption applies only if the trust is for the benefit of the general body of the employees, and the specific terms of the exemption must be looked at very closely. It does not for instance apply to those who have an "interest in possession" in 5 per cent. or more of the trust fund, it does not apply to any payments made for the benefit of a person who is or is connected with someone who has provided funds for the settled property in excess of £1,000 in any one year, and it does not apply in the case of a participator of close company entitled on a winding-up to 5 per cent. or more of the assets of that close company. In any case the so-called "concession" does not save any CTT—it merely avoids what would otherwise be unreasonable penal treatment meted out to discretionary trusts. Similarly there are provisions for compensation funds operated by trade associations (paragraph 21).

The most common form of *trust which is not penalised is* a straightforward trust in which there exists a clear "interest in possession," but even here the position is by no means simple, and even though the "discretionary trust" rules do not apply there can be problems. For instance, on the termination of an interest the value of the underlying fund, rather than the actuarial value of the interest, might be caught.

It will still be possible to leave money to children on the basis that any income not paid out for maintenance, education or benefit of a child is accumulated for the benefit of that child and that on the child reaching a defined age of not more than 25 has an absolute or a life interest in the fund. In that case the eventual transfer to the beneficiary will be treated as the completion of the original gift and will not result in CTT being charged on two or more occasions on the same gift. However, it will not be possible without penalty to set up a trust for children or leave money to them in such a way that different children can benefit in different ways according to their needs. Tax legilsation, *in effect*, forces me to provide—should I fall under a bus to-morrow—that my daughters will eventually benefit equally from my estate. I can no longer leave my trustees with the sensible discretion to take account of the fact that one daughter may marry a rich man, while the other may become permanently handicapped. If I had sons I would have to benefit all of them equally, or in prearranged shares, even though one may want and deserve financial backing for a sensible business venture, while another becomes an active member of the Clermont Club.

It will also still be possible to leave a life interest in a fund to a surviving spouse. Under the old estate duty rules, of course, this procedure resulted in duty on the second death being avoided. This will still apply where the first spouse died before November 13, 1974. Estate duty would have been paid on the first death and the exemption will continue to apply on the second death. Under the CTT rules, of course, a transfer to a spouse on death *or otherwise is exempt. From* a purely tax point of view it no longer matters whether the spouse is bequeathed an absolute interest or merely a life interest. There will be no CTT on the first death, but the assets will be fully taxable on the death of the survivor. This being so the choice is one of personal intention. One spouse will leave a life interest rather than an absolute interest to the other if he wishes to be sure that the assets will ultimately go to beneficiaries of his choice without any discretion being left to the spouse. If the testator has no strong views, or trusts the survivor's judgment, it may be better and more flexible to leave an absolute interest.

New business for life companies

THE ADVENT of capital transfer tax, which *replaced* estate duty offers an enlarged role for life assurance in tax planning. The underlying objective in the change was to close the loopholes that existed under estate duty so that now it has become virtually impossible to avoid *payment of the tax.*

The strategy of the financial planners regarding CTT is to arrange the assets of the estate so as to minimise the impact of the tax and then make arrangements to fund for the liabilities when they arise without incur*ring an additional tax liability.* Life assurance is a very suitable investment vehicle for these funding requirements, making use of the exemptions and thresholds available.

Life assurance is designed to cater for a contingency that cannot be planned ahead, such as death. Thus a life policy can be used to build up funds which are immediately available when that contingency occurs. The introduction of CTT could provide a boost to life assurance sales, judging from the spate of contracts being launched by life companies designed to meet CTT requirements.

CTT is based on the loss suffered by the person transferring the capital, not on the gain to the beneficiary. Where a life policy is taken out by an investor on his own life, but for the benefit of someone else, clearly the loss suffered by the investor is the premiums he pays. Thus the CTT liability would be assessed on the premiums and the policy money would be free of tax.

But there are exemptions *which can be used to ensure* that the CTT on the premiums is minimised or eliminated. First there is the annual exemption of £1,000 which can be passed free of tax. This cannot be carried forward, so what better use to put it to than against premiums on a *life* policy. Then there is a minor exemption of £100 of capital to be paid to any individual in each year. Again the best use of this amount is against life premiums. Finally, any payments out of net income and complying with certain conditions are tax free. These exemptions can be used together, so anyone with a very high net income and a large number of potential beneficiaries is thus able to transfer considerable sums each year tax free.

Payments out of income come under the normal expenditure *clause, but the definition of* normal is rather loose. The position of people whose incomes fluctuate each year is extremely vague.

Life policies can be used in three ways in CTT planning. They can be used as a means of passing on wealth to persons without incurring a CTT liability, whereas a direct transfer would result in CTT being paid. Thus this is a suitable means of making gifts to children and grandchildren. But it must be remembered that the *gift is passed in the form of* money. If the investor desires to pass on other assets, such as a house, the liability has to be paid.

Second, the life policy can be used to build up funds which can be used to meet the tax liability when it arises. Usually this will be on the death of the investor, since most of the assets are usually passed at that time. But a life policy can be used to meet liabilities before death whether or not the time is known.

The problem of the effect of inflation on the value of assets is an extremely thorny one. CTT is assessed on the value of the assets being transferred at the time of transfer. The investor does not generally know what that value will be. He knows the present value but can only guess what inflation will do to that value.

Maximum

Two courses of action are possible. One is to take out a policy for the maximum cover—a without-profits policy—and top up such cover as the value of the estate rises. It is to be hoped that the exemption limits will be raised in line with inflation, even though there is always a time lag in such action. But one can never be sure. There is a strong case for linking these limits to the cost-of-living index.

The second course is to invest in a life policy that does give some hedge against inflation—a with-profits policy or a unit-linked contract. This course gives a lower initial sum assured but it does steadily increase. The with-profits policy will provide a steadily increasing death cover, but the unit-linked contract is subject to fluctuations once the guaranteed death cover has been exceeded, although offering better returns on average. Some topping up would also be desirable.

The investor has to decide *when the liability is likely to* arise and then choose the life policy to meet this event. If it is to occur on death, then a whole life policy will provide the money at the right time. There is a special feature with CTT that did not occur with *estate duty in that transfers* between husband and wife are exempt from the tax.

So if the husband is leaving all or the bulk of his estate to his wife on death, then the CTT liability will not arise until the second death of the husband and wife, and the whole life policy needed is one on the joint lives payable on the second death. Until the advent of CTT, this was a rarity in the product range of life companies. Premiums on CTT policies normally qualify for life assurance income tax *relief, but for the joint* life policy premiums should be payable also until the second death to enable them to qualify. They can be made payable to the first death, but they have to be guaranteed to be paid for a minimum period, and this leads to complications.

The question arises as to which type of contract—traditional with or without profits or unit-linked. Traditional policies pay sums that are known or can be estimated to a close degree, but are highly inflexible in the time of pay-out. Therefore they are suitable to meet liabilities or to pass on gifts at some known eventuality such as on death, or when a grandchild reaches a certain age.

Open ended unit-linked contracts provide much more flexibility as well as better *growth prospects over the long* term. But the value is so dependent on market conditions and can be depressed just at the time when the policy money is needed. The policy should carry a high level of death cover, since this is the main contingency to be provided for. Each type of contract has its place in CTT planning.

Finally life assurance can be used to meet the gifts inter vivos liability on lifetime gifts. Should the donor die within three years of making a lifetime gift CTT is reassessed on the death scale and the donee has to pay the balance. This financial risk can be covered by a three year temporary assurance by single or annual premium taken out by the donee on the life of the donor.

Eric Short

CAPITAL TRANSFER TAX IV

Current trusts

WHERE SETTLEMENTS and *trusts are involved, the* provisions of capital transfer tax are complicated to say the least, and professional advice is necessary before any action is taken. This means that the trust departments of banks — which were twiddling their thumbs before *the details of the* Act were known — have since been working hard dealing with a flood of enquiries as to precisely what should be done. Existing settlements were drawn up with estate duty in mind, and capital transfer tax is in general somewhat *hostile to trusts.* This makes it unlikely that many new trusts will be established, but each existing trust needs to be considered on its own merits—to decide whether it is worthwhile keeping it alive. Trustee departments also have to comb through the wills of people who had contemplated setting up trusts at a future date to establish whether they still make sense in the new environment.

The general principle of CTT in relation to trusts is that any capital put into a trust will bear *gifts tax, as will any capital* paid out to a beneficiary. Similarly any change of interest in a trust will usually trigger off a gifts tax liability. This being the overall picture, the most difficult area is that of discretionary trusts, where although a distinction is drawn between trusts established before March 27, 1974, and trusts established after that date, the object in both cases is to levy a tax charge whenever capital (as opposed to income) leaves the trust fund and is paid to any *of the beneficiaries.*

Legislation

This is one point, but the other "frightener" is that not only do discretionary trusts suffer from CTT when capital distributions are made, in addition they have to pay every ten years 30 per cent. of tax which would have been payable had the trust fund been distributed at that time. But the new legislation recognises that discretionary trusts are par*ticularly affected* and *enables* discretionary trusts set up before March 27 to be wound up during the next few years without suffering too heavy a tax charge. CTT is payable at only 10 per cent. of the usual rate if the trust is wound up before April 1, 1976, rising by degrees to 20 per cent. for those wound up before April 1, 1980.

Naturally it is not as simple as this, for there are exemptions and variations—for example, the reductions are not given unless the persons receiving the capital payments are domiciled and resident in the U.K. during the relevant year. Similarly discretionary settlements are exempt from periodic and capital distribution charges if the beneficiary will become entitled to the settled p operty or to an interest in the settled property by *age* 25 at the latest.

But the essential question trustees have to make a decision about is whether to distribute the capital or to let the trust go on living—and they have to act before 1980 to obtain reliefs. And apparently there is no absolute answer as to what is the proper course—it depends on the size of the trust involved, the wishes of the settlor and the needs of the beneficiaries. One clearing bank's trustee department CTT expert said that there was a rush by the beneficiaries of smaller trusts to ask for distribution, but the larger ones tended to be slower to act. Clearly with 1980 still some way off and with at least one General Election in between there are hopes in some quarters that a Conservative Government might make the legislation less onerous.

I was fortunate enough to obtain the notes issued by one major clearing bank to its trustee managers which not only covered many of the points already raised about the desirability of making distributions but also gave various indications of the best way of proceeding if distribution of funds was decided on as the best course. The tone of the notes was, however, that discretionary settlements with a relatively low value (worth less than £15,000, for example) offered little advantage to be gained by early distribution. They also made the point that the value of an early distribution had to be weighed against the possible incidence of capital gains tax.

Sooner

But, once having decided that distribution is the best method, then it is certainly advisable to distribute sooner rather than later. If by any chance any of the intended beneficiaries is not domiciled or resident in the U.K., it is apparently also best that distributions to these people should precede those to the other beneficiaries. In the same vein, the trustees should speed up the distribution to a beneficiary intending to go abroad before he becomes non-resident for income-tax purposes.

The complications increase a little further on in the notes. Apparently consideration should also be given in suitable cases to purchasing "tax-free" gifts and distributing these in kind. Similarly, if the settlor was not domiciled in the U.K. when the settlement was made, tax may be avoided by purchasing foreign property for subsequent distribution in kind to beneficiaries.

Finally, although in many cases it may be appropriate to make an outright distribution to chosen beneficiaries, there are sound arguments for appointing funds on continuing trusts. In this context there are two main possibilities. The first is to appoint funds in favour of a beneficiary for life, rather than absolutely. The essential reasons for this are to postpone liability for capital gains tax and to enable the trustees to continue to exercise control over the trust property (possibly the chosen beneficiary might be incapable of managing his own affairs).

The other possibility concerns the appointment on accumulation or maintenance trusts where the trustees may decide that they want to distribute the trust funds among several generations so that several potential beneficiaries may be minors. It is all very complicated, and ultimately it is up to the trustees to make the best decisions in the interests of beneficiaries. But, life being what it is, they also tend to be looking over the shoulders at the wishes of the settlor if he happens to be alive—and trustees assure one that many existing settlors are still rich in their own right and in many cases are very strong-minded individuals.

Christopher Hill

		Tax Rate* 50%	70%	90%	98%
		Gross income yield equivalent			
Capital growth of	2% equals	3.5%	5.8%	17.5%	87.5%
	4% equals	7.0%	11.7%	35.0%	175.0%
	6% equals	10.5%	17.5%	52.5%	262.5%

School fees schemes

TRYING TO keep abreast of new tax legislation has always been a headache for school fees' specialists but there can have been very few tax changes which have caused quite as much concern, frustration and controversy as the introduction of capital transfer tax. After all, payment out of a capital sum has long been regarded as one of the most straightforward methods of providing for school fees and virtually all specialists were previously able to devise capital plans which enabled their clients to derive satisfactory benefits. Indeed, one of the main attractions of a capital plan was that the sum involved was not liable to Estate Duty.

CTT has completely changed this, however. It is chargeable on any transfer (above the exemption limit of £15,000) of capital from one person to another, apart from a gift from parent to child. Since roughly one-third of the school fees plans currently in operation are based on finances supplied by grandparents the problems which this tax has created for school fees' specialists are obvious.

Easily

There *is, however, little* agreement among the experts on the best method a grandparent can now adopt if he still wishes to make a gift for the private education to his grandchild. Some of the specialists actually believe that there is little cause for concern. This is because they feel that as long as the school fees are the only capital transfer that the benefactor will make during his life, then they should be met quite easily within the exemption limits of £15,000, which if there are two grandparents is, of course, worth £30,000.

This reasoning, however, can lead to some very real dangers. If a benefactor uses up all of his exemption limit by providing school fees for his grandchildren, then all of his remaining capital will, on his death, be liable for CTT. Thus, the majority of school fees' specialists are reluctant to advise this course of action unless they are certain that the client's overall financial position has been arranged in such a way that the final CTT charge will not have a disastrous effect.

The two best known firms in the school fees field are probably C. Howard and Partners and School Fees Insurance Agency and both have differing *views on just what is the best* method now open to grandparents. SFIA has adjusted its capital sum plan onto the basis where clients will now be presented with two choices when they enter into this type of scheme. They can choose either to retain the right to surrender the policy at any time, or they can forego the surrender rights from the moment of payment. SFIA reckons that the client who opts to take the first course will not be liable to CTT when he effects the payment but a liability will arise on the termly fee payments. Under the second option the CTT charge would be made at the time of transfer but it would mean that the capital sum no longer formed part of the client's estate and so would not be liable on his death. Under the first option, should the benefactor die before the policy begins to pay out then the capital sum would still technically be under his control and would therefore be subject to CTT.

In its booklet, the Profes*sional* Adviser's Guide to School Fees, SFIA points out that in most cases, particularly where the benefactor is the parent, the second course is probably the most suitable.

C. Howard and Partners is also adjusting its capital plan to take account of CTT liability and has in fact withdrawn its current trustee scheme in preparation for the launching of a new one which it hopes will be more flexible. At the moment though Howard's strategy is completely different to that of SFIA. It is advising grand*parents, or anyone else (other* than parents) who wishes to pay for a child's education, that it is better to make annual transfers within the £1,000 per year exemption limit, into a straightforward income plan. These payments can either be made direct from the grandparent, or they can be passed into the insurance scheme through either the parent or the child. C. Howard makes it clear, however, that it is highly preferable for the grandparent to make the payments to the parent who will then pay them into the income plan. This is because a scheme which is taken out by either a very young or a very old person is likely to be rather less flexible than one taken out by the parent.

There is clearly a wide divergence *of opinions* among the experts in the school fees field and not least because many of them are expecting further legislation to be passed concerning CTT in the fairly near future. If this is so the specialists will have to make *some very quick adjustments to* their schemes, because though the amendments are expected, very few people have any real idea just what form they will take.

The most popular amendment would, of course, be one which completely relieved school fees payments from the burden of CTT and for some of the people involved in the school fees field this is not just a faint hope. Some are already campaigning with this end in sight.

Whether this hope will ever be realised is very doubtful and the fact that most of the leading specialists are apparently learning to live with CTT illustrates this point.

Tom Kyte

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HOME NEWS

Brewery surprised by lager deal

By Kenneth Gooding, Industrial Correspondent

THE ARRANGEMENT by which the Harp Lager consortium will brew and test market Kronenbourg lager in the U.K. has surprised North Country Breweries, the former Hull brewery concern which is part of Northern Foods.

NCB has been importing Kronenbourg brewed at Strasbourg for more than a year and claims to have the exclusive agency for this product in the U.K.

NCB issued a statement aimed at clarifying the situation yesterday. The Kronenbourg to be brewed by Harp would be to a Kronenbourg formula and at a gravity (strength) agreed by Harp and Kronenbourg. But it would be entirely different from the Kronenbourg brewed in Strasbourg and "not in the same high premium band."

NCB will continue to send its tankers to Strasbourg for the lager brewed on the Continent and has told its customers that it has no intention of replacing the imported beer with the lower-gravity product to be produced by Harp at Alton, Hants.

Kronenbourg is part of the BSN Gervais-Danone group of France and it says that it is France's largest exporter of beer. In the past few years it has been following a policy of developing franchise operations outside France as well as its direct export business.

The Harp consortium—its members are Guinness, Courage, Scottish and Newcastle, and Greene King—is to test the Alton-made Kronenbourg at pubs in the Midlands and the south of England.

Like NCB's imported variety, it will be sold only on draught.

CBI warning on reflation

BY OUR CARDIFF CORRESPONDENT

THE GOVERNMENT must resist any pressure to take drastic action to cut unemployment, Mr. Campbell Adamson, CBI director-general, said yesterday.

Any urgent reflationary measures could undermine the Goverment's pay restraint policy, and would lead only to further inflation and greater unemployment in the long term, he told Welsh industrialists at Cardiff.

If the £6 pay ceiling remained intact, inflation could be down to an annual rate of 10 per cent. by next July, with the number of unemployed beginning to fall by the late spring or early summer.

The CBI would accept the introduction of reserve powers against companies even if the Government was not prepared to use powers against employees.

"Most people are law-abiding and I think that if workers see the prospect of their employers being taken to court they will realise the seriousness of submitting a claim which breaches the pay ceiling."

The proposal for a temporary employment subsidy to companies to keep otherwise redundant workers in a job was so far ill thought-out. The scheme would be difficult to administer and would not help to maintain production at economical costs.

Mr. Adamson was speaking before an emergency meeting of the CBI's Welsh Council to discuss cuts in the steel industry.

Mr. Ian Kelsall, the CBI's Welsh secretary, said: "Several hundred firms in South Wales rely for as much as 90 per cent. of their output on the steel industry. With the cutting of subcontract work many of them are facing a critical situation."

Car imports soar over exports

By Terry Dodsworth, Motor Industry Correspondent

THE value of car imports to the U.K. went up by 67 per cent. last month compared with June last year, and has increased by 50 per cent. in the last six months on the comparable period last year.

At the same time car exports have gone up in value by only 19 per cent. over the same half year, from £208.9m. to £248.3m., according to figures from the Society of Motor Manufacturers and Traders.

Department of Industry statistics show that only 282,400 cars were produced for export in the first six months of the year. Although export production has held up better than home market manufacturing, this still represents a decline of 33,000 units on the previous year.

Hence Britain is now running a deficit on her import of built-up cars against exports. In the first six months of the year this amounted to £8m.

The bright spots for the industry this year have been in the commercial vehicle, component, and specialist vehicle sectors.

Over the first six months the commercial vehicle business, including light vans, has earned almost £200m. from exports, against £120m. last year. Imports in this area have gone up by only £8m., to £48m.

In total, and including specialist items like tractors, trailers and marine engines, the motor industry earned £1,260m. from exports in the first six months. This was a 43 per cent. increase, precisely the same percentage increase as for imports.

The imports figure for the period is £542m., giving a surplus of exports over imports of £717m.

Stonehouse motion hits at Strauss statement

BY JOHN BOURNE, LOBBY EDITOR

MR. JOHN STONEHOUSE, the runaway Labour MP for Walsall North, now on remand in Brixton jail on a series of charges, has tabled a Commons motion bitterly complaining of statements by Mr. George Strauss, chairman of the Select Committee which examined his case.

Mr. Stonehouse says in his motion that Mr. Strauss's statements that the committee had "finished its work" were to the effect that Mr. Stonehouse would not be needed to make a statement to the House.

Justice in the matter of non-criminal accusations against him could be done only if the cradle of free, unfettered speech allowed him to reveal to the Commons "the facts which have not yet been revealed."

Mr. Strauss's alleged statements were "unfair" and prejudicial to him. They had been neither endorsed by the Select Committee nor by the Commons and were unjust because they implied a denial of free speech to an MP "who has never had an opportunity of explaining to his colleagues the reason for his breakdown during 1974 which necessitated his enforced absence from the House on medical advice."

Mr. Stonehouse also condemns Mr. Strauss's statements as unworthy because they followed his Select Committee's report recommending Mr. Stonehouse's expulsion from the House, which was justified solely on the alleged grounds that he failed to submit himself to the processes established by Parliament—an allegation which was totally and completely false and entirely unsupported by evidence.

The Select Committee had decided this without informing him that this was the charge against him and consequently the Committee deliberately and wilfully disallowed him an opportunity to defend himself.

W. Midlands unites on growth

By Peter Cartwright, Midlands Correspondent

FOR THE FIRST time union and management organisations in the Midlands are combining with the local economic planning council to press the Government to take positive steps to prevent the vital West Midlands engineering section from declining into a depressed area.

The council, which represents the business and commercial community, has spelled out to the Prime Minister for months that the Midlands long ago ceased to be able to provide growth industries for development areas and badly needed growth industries itself to survive.

So far the voice of the council sems to have gone unheard. Now it has gained trenchant allies in the Midlands TUC and the Confederation of British Industry, which are within an ace of agreeing a document to be put before the Cabinet.

Their arguments have been reinforced by Thursday's unemployment figures. For the first time since the war the unadjusted percentage figure of 4.7 per cent. is higher than the national one.

Despite this, the Government appears still to be treating the West Midlands as if it could continue to add to the 80,000 jobs it has "exported" to development areas.

It is felt that even if applications for industrial development certificates are not now refused, the psychological consequences of limiting "free" areas to only 15,000 square feet will inhibit industrial growth.

And it is the Midlands, as is constantly being pointed out, that will be depended upon to lead the country out of recession.

In particular the different sections of the community are trying to assess the impact of the measures to make British Leyland more efficient. Up to 100,000 jobs could be at risk.

Secrecy 'parameters' broken by Wilson, High Court told

FINANCIAL TIMES REPORTER

LORD WIDGERY, the Lord Chief Justice, was asked in the Crossman Diaries case in the High Court, yesterday, to come down "on the side of the public and not the establishment" if he felt that issues of public interest were essential factors to consider in his judgment on the affair.

The plea that he should take this approach was made by Mr. James Comyn, QC, for the Sunday Times, on the fourth day of the controversial action.

Mr. Comyn said the freedom of the Press was very seriously threatened by the action. "For many years Government and Press have had had friendly relations such as by the use of informed leaks from Ministers, but these would be rendered virtually impossible if the rules sought in this case are given their full breadth."

The Attorney General, Mr. Sam Silkin, QC, has asked for publication of the late Mr. Richard Crossman's diaries in book form to be banned, and the appearance of further extracts stopped in the Sunday Times, on the ground that they would harm the traditional conventions of Cabinet secrecy.

Mr. Comyn produced a marked copy of the book, The Labour Government 1964-70, which Mr. Wilson wrote within a year of leaving office at that time.

He complained that there were more than 50 instances in the 105-page book, where Mr. Wilson had broken the conventions of writing about Cabinet affairs which the Attorney General was seeking to impose in the present action.

Disregard

"I cannot suggest that any action lies against Mr. Wilson at the suit of the Attorney General, Mr Silkin, or any replacement who might be necessary before such action were brought," Mr. Comyn added, amid laughter.

"But it is quite plain that Mr. Wilson's book could have been written only with the use of official documents and in my view there has been overall disregard in it of the parameters involved in the present case. Many other politicians have also had their memoirs published."

Mr. Comyn, who gave reasons for opposing any ban, told Lord Widgery: "If the Attorney General succeeds in this action, he will be making a major jump into new law. Unless he can establish an enforceable clause of action, his only remedy is to go back to Parliament and ask them to debate the issues with a view to introducing legislation."

The Lord Chief Justice said he would try, if possible, to give judgment next week, but it might become necessary to defer it if the hearing, which will be resumed on Monday, goes on too long.

Campaign wins Adweek battle

BY LORNE BARLING

CAMPAIGN, the Haymarket Press publication, is to take over Adweek, its only major competitor in the advertising field, after a serious contraction in the industry in recent months.

Adweek, owned by Mercury House, has had considerable losses in the past five years and was faced with closure because of a 50 per cent. drop in advertising in the first six months of this year compared with last year.

A joint statement from Mercury House and Haymarket said that Campaign had suffered similarly and they were unable to see any improvement in coming months.

The decision came after a long and fierce battle between the two publications for a limited market. It is understood that the sale was agreed for a relatively small sum. Campaign's circulation of about 14,000 a week is not expected to increase significantly.

Some of the seven editorial staff on Adweek and about 20 advertising staff are expected to be offered jobs with Campaign.

Mr. Paul Buckley, managing director of Campaign, said that in the circumstances there was no room for two advertising magazines.

"It is clear that Adweek could no longer be run independently and had either to close or be taken over. There is no other country with more than one advertising publication," he said.

Pay Bill survives all-night battering

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S Bill supporting the £6 pay rise ceiling survived intact the marathon battering it received during the Commons 26 hours, 26 minutes sitting which ended yesterday evening with the completion of the Committee Stage.

Ministers successfully withstood all the changes pressed by the Tory Opposition, the Liberals and also by the Tribune group of Left-wing Labour back-benchers.

The only amendment made in the Bill was minor, put forward by the Government, to close a loophole which could have allowed the Greater London Council or a county council to avoid the provisions of the Bill—the Remuneration Charges and Grants Bill.

Although the main amending stage has been achieved, the Government will have to continue its stoic defensive battle to preserve its measures unscathed when the report stage—the final opportunity for amendments in the Commons—is taken on Tuesday, followed immediately by the third reading.

As was shown in one division, more than 30 Labour MPs—mostly Tribunites—were prepared to vote against the Government.

The activities of the Tribune Group angered many Labour MPs because it had printed its own sheet of whipping instructions on the various amendments.

Although both the Left-wingers and the Tories levelled the same broad accusation against the Bill—that it was the instrument of a statutory policy—the Left-wingers avoided joining the Opposition in the division lobbies.

Time and again, Mr. Michael Foot and the Ministers supporting him insisted vehemently that the policy was on a genuinely voluntary basis. "We are not laying down a policy under which there is a statutory offence," Mr. Foot said.

Bitterness

The bitterness of the Tribune group was increased by its belief that all the assurances on the working of the policy had been gained by the Tories.

Mr. Eric Heffer, a former Minister and now one of the leaders of the Left-wing on the Labour back-benches, urged an amendment that failed, and said: "We happen to be Labour supporters . . . our views ought to be heard. We are saying to the Government you should take our views into consideration."

At one point, Mrs. Shirley Williams, Prices and Consumer Protection Secretary, acknowledged that no sanction could be brought against an employer who gave a wage increase above the £6 limit if he made no application to increase his prices.

This was part of the nature of a voluntary policy, she said, at the same time stressing the sanctions against excessive pay settlements.

The safeguards now in operation for a number of companies—the minimum profit safeguard and the minimum net and gross produce safeguards—would not operate in the case of pay awards above the ceiling, although groups in this position were the least likely to be able to make excessive settlements.

Mr. Foot must be in a position to indicate whether in his view a pay settlement exceeded the norm, and it would be impossible for the Price Commission to do this because it had neither the information nor the necessary expertise to undertake it, said Mrs. Williams.

If a company wished to do so, it could seek the advice of the Department of the Employment 20 to 30 days before making a price application. The Government advised it to do so, if it had any doubts.

The Department would then ask the company for details laid down in the consultative document about any cash settlements made and any non-cash settlements. This information would then go direct to the Price Commission.

Pressure

If a company returned within the 12 months for another settlement, any group of price applications would be taken as cumulative, so that it could not by splitting its price applications over the course of the year, escape the provisions by which price settlements would be disallowed.

Under continual pressure from the Opposition to remove all doubts about whether the £6 limit would be imposed on a pay roll or per capita basis, Mrs. Williams confirmed that it would be an individual limit.

There would be one exception—where there were age and scale increments which would be on the pay roll basis. But incremental scales were normally said to be self-financing.

OVERSEAS NEWS

Schmidt pins economic hopes on France and U.S.

BY NICHOLAS COLCHESTER

BONN, July 25.

HERR HELMUT SCHMIDT, the West German Chancellor and one of the most vocal apostles of international economic co-operation, continues a top-level round of discussions on this matter this week-end when President Valery Giscard d'Estaing of France and U.S. President Gerald Ford visit Bonn in quick succession.

His meeting with the French President is dominated by the fact that both countries have been forced by the continuing intractability of the worldwide recession to consider fresh measures to revive their suffering economies.

The hope is that by "co-ordinating" their measures and by presenting them to the world as a gesture of common intent, the two statesmen may give the business mood in Europe a lift until the all-important "upswing spirit" is firmly re-established in the U.S.

All the indications before to-night's discussion are that the French are more anxious to get their economic programme under way than the Germans.

France is apparently thinking in terms of a spending programme of Frs.15bn., or about 1.5 per cent. of its gross national product, while in Germany the talk is of a programme of around DM5bn., or only about 0.5 per cent. of its GNP.

The French may introduce their programme at the end of this month, while the German Cabinet is scheduled to consider its measures at the end of August.

The talks to-night and to-morrow will include the Foreign, Economics and Finance Ministers of the two countries.

In the economic context another subject for discussion will be President Giscard's idea of a monetary conference to take place in the autumn.

This scheme originally came as something of a surprise to the German Chancellor, as he first learned of it from the newspapers; but he has come round to the idea on the understanding that such a conference would encompass world economic problems and not merely the specific question of international currencies.

As the French delegation leaves Bonn, attention will switch to the arrival of President Ford, with a delegation including Dr. Henry Kissinger, Secretary of State.

Economics will also feature in this round of talks as the Chancellor attaches great importance to the U.S. business revival and will want to hear the latest hopes on this.

Italian Socialists set conditions

BY ANTHONY ROBINSON

ROME, July 25.

THE POWER struggle for control over the Christian Democrat party continued to-day around the candidature of Sig. Flaminio Piccoli with little indication of how and when the final choice will be made. After a week of intense manoeuvring in the pitiless heat of a Roman summer the Christian Democrats leaders have demonstrated only their infinite appetite for intrigue.

Meanwhile, the Christian Democrats' potential political opinions have been drastically reduced by the Socialist Party (PSI) whose central committee has been meeting less than half a mile from CD party headquarters. Socialist party secretary Francesco De Martino has laid down that in the PSI's view the centre-left formula is dead and that the PSI will only agree to form a new Government with the CD party, if the latter agrees to what amounts to the external support of the Communist party (PCI).

In other words, the PSI secretary has declared that the PCI must be consulted extensively on questions of Government policy and the legislative programme, and not be treated as an Opposition party as hitherto.

The significance of this new line is that it is in many ways a copy of the strategy pursued by the Christian Democrats in the two years before the PSI joined the first Centre-Left Government in 1963. During this period the CD party and its allies treated the Socialist party virtually as a Government party, even though it was formally outside the Government.

After two years of this kind of co-operation, the PSI entered formally into the Government with ministerial posts. The PSI is now demanding that the same procedure be followed with respect of a Communist party with whom it has already agreed extensive power sharing agreements at a local and regional level.

State sector reshuffle

BY OUR OWN CORRESPONDENT

ROME, July 25.

THE RESHUFFLING of top posts within the Italian State industries, which began two months ago with the replacement of Sig. Mario Einaudi as chairman of the State minerals agency EGAM, has taken another turn with the replacement of Sig. Raffaele Girotti as acting chairman of the State oil and chemical corporation, ENI, by Sig. Pietro Sette, the present chairman of another State holding company, EFIM.

Both Sig. Einaudi and Sig. Girotti have lost their posts, essentially because political shifts have robbed them of the political cover they formerly enjoyed to carry out operations which had little to do with the institutional role of their respective groups.

In each case, the chairmanship has passed to men who have already held top posts in the State sector for many years. A fundamental review of the position and role of the State-controlled industries is now taking place with the aim of raising the operational efficiency of the State sector and reducing the political interference which has diverted so much of its energies in recent years. Under these circumstances both Sig. Sette, and Sig. Ernesto Manuelli of Finsider who replaced Sig. Einaudi at EGAM, are essentially temporary appointees.

Spanish emergency powers lifted

BY ROGER MATTHEWS

MADRID, July 25.

ALTHOUGH THE Spanish Government does not pretend that it has defeated the Basque separatist organisation ETA, it believes that it has dealt it a severe enough blow to warrant lifting the state of emergency on the two provinces of Vizcaya and Guipuzcoa. As from to-morrow the special powers given to the security forces are withdrawn, three months after their introduction.

During this time at least 2,000 people are understood to have been detained, although probably fewer than 200 remain in jail. After the initial outburst of ETA violence after the introduction of the state of emergency, and the subsequent Right-wing backlash, the provinces have been relatively quiet during the past month.

However, the past three months have left a trail of bitterness and conflict that will not easily be erased. The shooting of police officers and members of the para-military Guardia Civil, the viciousness of the ultra Right-wingers who perpetrated over 70 separate attacks against Basque nationalist sympathisers and their property, the serious allegations of torture and brutality by the security forces and the spill-over of the conflict into France, seem likely to have ensured that the state of emergency, far from solving the Basque problem, has merely polarised opinions and re-opened wounds that might with delicate handling have gradually healed.

Increasingly voices have been raised in Madrid and in the two provinces asking for a political solution to the region. Even if, as seems likely, the police have broken up at least part of the ETA organisation, no one is doubting that the separatists have considered for one moment calling off their campaign.

'Risk of violent protest'

BY PAUL ELLMAN

A WARNING that the chances of peaceful political change in Spain are diminishing was issued in London yesterday by Sr. Santiago Carrillo, secretary general of the Spanish Communist Party.

Sr. Carrillo, who was the moving force behind the creation last July of the Junta Democratica, a broad alliance of anti-Franco groups, said it was impossible for an "old man and a group of corrupt bureaucrats" to go on defying the mass of the population without increasing the risk of violent protests.

He stressed, however, that the Junta, whose members include Right-wing monarchists as well as social democrats and Communists, remained committed to a peaceful end to the Franco dictatorship, unless it was left with "no other way" than violence. Sr. Carrillo was at pains to emphasise the Spanish Communist Party's own commitment to establishing a parliamentary democracy in Spain, and tacitly disassociated himself from the policies being followed by the Portuguese Communist Party.

He referred to the joint declaration he made earlier this month with Sig. Enrico Berlinguer, the Italian Communist leader, in which they both affirmed that their parties' stated support for parliamentary democracy was not simply a tactical move.

Senate rejects anti-Concorde amendment

By Adrian Dicks

WASHINGTON, July 25.

OPPONENTS of the Anglo-French Concorde supersonic airliner suffered a setback to-day when the Senate rejected by a margin of two votes an amendment that would have banned the use of Federal air traffic control personnel and facilities in Concorde operations.

Defeat of the amendment in the Senate follows a similar move in the House of Representatives two weeks ago, where it failed by a margin of 18 votes. The slenderness of both margins, however, seems certain to encourage the anti-Concorde faction, led by Senator Birch Bayh and Congressman Lester Wolff, to launch a new effort to prevent the airliner from entering regular transatlantic service on time next spring.

Although they have at various times used a wide range of arguments against the Concorde, the tactic its opponents currently rely on is the noise made by the aircraft on take-off and landing. The Ford Administration has given tentative approval for four flights a day to New York from London and Paris, and for two more flights to Washington. It also opposes any restriction on the Concorde on diplomatic grounds.

FNLA GAIN

LUANDA, July 25.

TROOPS of the Zaire-based National Front for the Liberation of Angola (FNLA) have entered the key road junction town of Caxito, 40 miles north of the capital Luanda, a Portuguese military spokesman said here to-day.

Reuter

OAU move against Israel

KAMPALA, July 25.

FOREIGN MINISTERS of the Organisation of African Unity (OAU) decided to-day that Israel must be made to forfeit its seat at the UN and agreed to apply sanctions against it.

Their decision follows a similar call to expel Israel from the UN by a conference of Islamic foreign ministers in Jeddah nine days ago and could, at least, mean Israel is barred from the next General Assembly, as South Africa was last year.

Observers said the UN Security Council could veto Israel's expulsion, but its opponents now seemed to command enough votes to keep Israel out of the General Assembly.

The OAU Foreign Ministers' meeting here is preparing for an annual summit of the organisation in Kampala next week. The Ministers will send a draft resolution on Israel to the Heads of State for endorsement. Conference sources said that, so far, the Foreign Ministers are undecided between an Egyptian call for Israel to be excluded from the UN until it complies with the world body's resolutions on the Middle East, and a demand by the Palestine Liberation Organisation (PLO) for Israel's outright expulsion.

Egypt also called for an African economic boycott of Israel on the lines of the Arab boycott, the sources said.

Reuter

Indian journalist jailed

NEW DELHI, July 25.

THE GOVERNMENT jailed one of the country's most prominent journalists on Friday and forced university students to attend classes under threat of police intervention.

Police arrested Kuldip Nayar, the author of several books on Indian affairs and is well known in journalistic circles as the domestic editor of the Indian Express newspaper's wire service. An Express spokesman said that the specific reason for Mr. Nayar's arrest was not known However he was suspected of passing along information to foreign newsmen in contravention of the rigid censorship rules imposed under Prime Minister Gandhi's state of emergency.

Mr. Nayar, the senior information officer for the Indian Government from 1957 to 1964, is currently a part-time correspondent for the London Times, the Spectator and the Washington Evening Star.

He was jailed under India's Maintenance of Internal Security Act, which allows the imprisonment of anyone for up to two years without right of trial.

At the sprawling New Delhi university, where the end of July is traditionally a back-from-vacation time of rest and leisure, police vans, jeeps and at least 500 policemen were stationed around the campus to make sure students attended classes.

UPI

Sadat tells Waldheim pull-back expected

CAIRO, July 25.

PRESIDENT Anwar Sadat told United Nations Secretary-General Kurt Waldheim here to-night that Egypt expects an Israeli troop pull-back from occupied territories to begin before the latest UN peace-keeping mandate in Sinai expires on October 24, informed sources said here.

Mr. Sadat said later in a televised speech: "We now have the upper hand and it does not matter to us whether a certain step fails or succeeds—our armed forces are ready and we have full confidence in ourselves."

The President spoke shortly after Israel's Prime Minister Yitzhak Rabin said in an Israeli television interview that Egypt's latest proposals for an interim peace agreement were substantially unacceptable. Mr. Rabin's comment and Mr. Sadat's statement dampened hopes that the two countries were close to an interim agreement.

The Secretary-General flew to Cairo to-day for talks with the Egyptian leader after last night's formal approval by the UN Security Council of a three-month extension of the UN peacekeeping mandate in Sinai.

Mr. Waldheim said on arrival here he hoped real progress would be made within the next three months towards Middle East peace.

JERUSALEM: Prime Minister Rabin said to-night that Egypt's latest proposal for a fresh interim agreement in Sinai was substantially unacceptable, but he disclosed that an Israeli withdrawal of about 25 miles was being considered.

"We received Egypt's proposal, which is substantially unaceptable, but Israel does not merely reject it—it also sets forth its own position," he said in a television interview. Mentioning the possible withdrawal, he said: "We are talking about an area some 25 miles removed from the present line."

The Prime Minister had earlier met the other two members of Israel's designated negotiating team — Foreign Minister Yigal Allon and Defence Minister Shimon Peres —to discuss Egypt's reply to Israeli proposals relayed through the U.S.

Reuter

EEC draft plan for export bank

By David Curry

BRUSSELS, July 25.

THE BRUSSELS Commission has approved outline proposals to set up a European Export Bank to finance and insure high-value orders for third countries in which companies belonging to two or more member states are involved.

The document will now go to the Council of Ministers in the from of a green paper for general discussion and talks will also take place with national export finance and credit insurance authorities. The Commission hopes that on the basis of these discussions it will be able to send a formal proposal for the establishment of the export bank to the Council by the end of the year and certainly not later than next March.

The proposed bank would have a very clearly defined purpose; to insure and finance high-value multinational capital goods contracts on credits of more than five years both on a supplier credit and buyer credit basis in one currency and expressed in one contract.

The capitalisation of the bank is left open for discussion, but it is not excluded that financial institutions could participate in the capital as well as Governments. The bank would raise its operating finance from the international capital markets in the same way as the European Investment Bank now does.

Normally, it is envisaged that the bank would finance exports out of its own resources, though it could bring other financial institutions into a consortium if size of the operations demanded it. The finance would be provided at preferential rates, while the bank would reinsure contracts back into national agencies — the proportion of risk corresponding to that country's share of the contract.

The paper makes no specific suggestion as to what currency the operations of the bank would be expressed in but this would almost certainly have to be a composite currency, and the paper is understood to lean towards making use of the new European unit of account. This, together with how to arrange for suppliers to be paid in their own national currencies and accounting for exchange risks, will be one of the central problems the EEC's Monetary Committee will have to work out.

Interior chief resigns post

WASHINGTON, July 25.

PRESIDENT Ford accepted "with deepest regret" to-day the resignation of Interior Secretary Stanley Hathaway for reasons of personal health.

Mr. Hathaway has been suffering from exhaustion and depression and was under medical care at Bethesda Naval Hospital.

pital on July 15. He was sworn in as Interior Secretary only six weeks ago after undergoing extensive confirmation hearings at which environmentalists criticised his record as Governor of Wyoming.

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SATURDAY, JULY 26, 1975

Interest rate flurry

UNTIL YESTERDAY, the last day of the Account, the market was drifting listlessly downwards. The Government has been pressing ahead with its programme for the voluntary/compulsory control of incomes and has been able in the event to count on at least the tacit support of the Opposition to offset the disaffection of some Left-wing Labour members. The Reserve Powers Bill, which will make it actually illegal for employers to concede a pay increase of more than £6 a week, is apparently not now to be published until the Government considers it absolutely necessary for the success of the pay policy.

One of the main difficulties for the Government in the way of immediate publication is to devise a means of preventing recalcitrant trade union leaders from forcing their way into prison for contempt of court. At least, however, it has now been made clear that employers, who will in any case have no protection against unions which stage industrial action in support of a pay claim above the permitted £6, will not be liable to retroactive penalties: the new Bill will become effective only when and if it is passed into law. Meanwhile, the July unemployment figures turn out to have risen even more sharply than expected, and the unemployment total is now above a million for the first time since 1940, though this figure is swollen by the inclusion of school leavers and adult students.

Unemployment

The underlying trend of unemployment, however, is now running so steeply upwards that the 1m. mark would soon have been reached in any case, and Mr. Foot has himself admitted that the figure is likely to rise considerably further before the anti-inflation measures begin to bite and some expansion of home demand becomes possible.

Investors, though no doubt grateful to the Chancellor for his enlightened views about the need for greater industrial profitability to support increased investment may well be feeling less optimistic this week about the immediate outlook for profits: large companies according to the latest report of the Price Commission, are operating at only about half their profits reference level, and the latest figures suggest that real personal spending may now be falling. But the mood of the equity market is also closely affected by what is happening in gilt-edged, where the market has this week been somewhat bemused by the huge success of the latest two long-term Government issues, especially the latter, and by the tactics of the authorities in making it known in mid-week that they wished to push up minimum lending rate by a full 1 per cent. This happened yesterday.

Gilts market

Despite the belief widespread in the City that the Bank of England should back up the incomes policy with firm control of the money supply, this surprising rise in MLR is probably not to be taken as a signal of assent. There are three plausible explanations. The first is that the Bank is simply out to maintain the differential between short-term interest rates here and in the U.S., where they have recently been rising and so helping to strengthen the dollar exchange rate. The second is that the Bank, eager as it may be to sell large amounts of gilt-edged stock to the general public, is not altogether happy about the speculative atmosphere which helped cause the extraordinary success of last week's issue, virtually the whole of which seems to have been subscribed for. The third is that large and continued sales of stock are most successfully made only on a gently rising market and that the brakes had to be applied.

There is some reason to suppose that the latest rises in the prime lending rates of various U.S. banks reflect a temporary rise in U.S. short-term rates, caused by official action to offset a temporary rise in the money supply, and that they do not mark a major change in U.S. monetary policy. If external factors do not force the Bank of England to keep interest rates up, moreover, the need to finance a large public sector deficit suggests that this week's sharp rise in minimum lending rate will be succeeded by a gradual decline. But the emphasis will probably be on the gradual. Control of the money supply has to be exercised continuously—even now, when unemployment is rising steeply and industry is operating well below capacity.

A parade of new models marks Europe's changing car fashion

By TERRY DODSWORTH, Motor Industry Correspondent

DESPITE the seemingly unrelieved gloom in the European car industry these days, 1975 is proving a bumper year for new models. Before the end of the year, Europe will produce at least three more to add to the half dozen or so already announced, plus a number of substantial facelifts, as manufacturers seek to come to terms with the cheaper motoring now being demanded by fuel conscious customers. For the trend is clear: 1975 will be a watershed, marking an end of the once inexorable European movement towards larger and thirstier cars.

In some ways this sudden change of direction is surprising, given that manufacturers are locked into production schedules on new cars at least two years in advance of a model's launch, and usually much more. They are, in a sense, in a fashion business, guessing the taste of a market well in advance, but with none of the flexibility of high fashion. Over the last two years, the guessing game has been played with even more unforeseen variables than usual — most prominent among them, of course, the quadrupling of oil prices.

This was a cruel reversal of the pattern of recent years, when cheap fuel, combined with general affluence, led to a gradual increase in engine capacity and the size of cars. Britain provides classic examples of this trend in two popular cars—the Ford Cortina and the Vauxhall Viva—which were progressively revamped into larger vehicles throughout the 1960s.

Growth years

Even in France, which, like Italy, has penal taxation for engines of over 2 litres, the larger capacity vehicles began to look attractive to manufacturers: this explains the somewhat anomalous appearance this year of France's two new 2.7 litre models, the Renault 30 and the Peugeot 604, the first time for many years that either manufacturer has gone over the two-litre mark. Both were planned in the palmy growth years of the early 1970s.

There was always a danger that such up-market moves would cause manufacturers which had grown up in the volume business to get out of touch with the mass base on which they had depended. There has been clear evidence of this in Britain, with the Japanese importers—backed up by the small Fiats and Renaults—making a deep dent in the British market with the kind of small family saloons that the domestic industry has neglected.

Britain may still have the Mini, now 16 years old, but it is Italy and France among Europe's car producing countries which, over the last few years, developed a considerable lead in smaller capacity cars, largely because of the tax laws. They were thus well placed when the fuel crisis struck: Renault's R5 swept Europe to become the best selling small car on the Continent, and the company has continued to be profitable, as have Peugeot and Italy's Fiat—in Fiat's case, admittedly, barely so, and with the help of its non-car interests.

But in the event it has been Volkswagen, which three years ago seemed to be utterly lacking in good new ideas, which has stolen the laurels in terms of new models, winning accolades and sales this year with its economic and distinctively-styled Golf and its smaller variant, the Polo. Fiat's contribution this year has been the 131, a medium sized family saloon which is selling slowly so far.

The Golf, Volkswagen's contribution to Europe's new five-door tailgate design trend, has swept VW back to the top of the German sales league (formerly headed by Opel), and scored an immediate success in export markets, including the U.S., France and the U.K., while production at Wolfsburg and *Emden has been pushed up to* 10,800 a week.

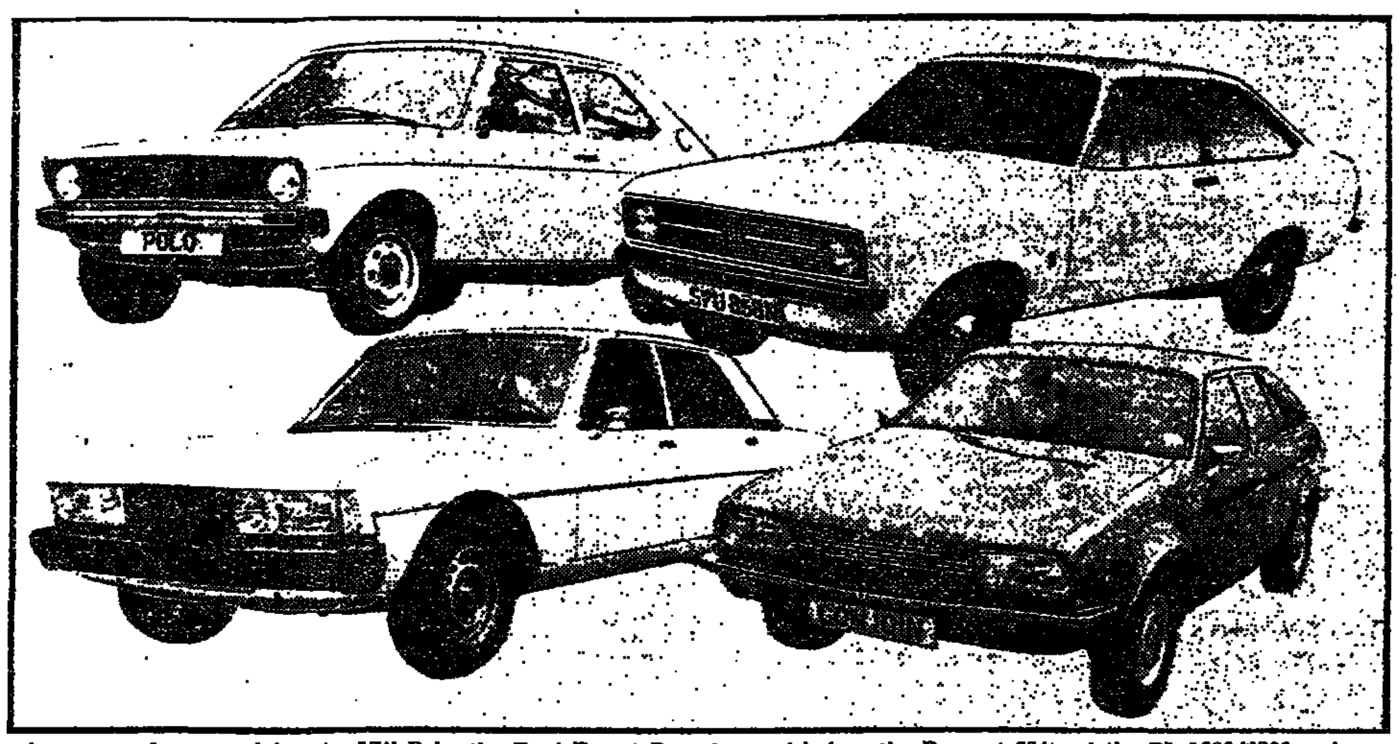
Dealer network

Doubts about Volkswagen's financial future following its £140m. loss last year remain. Competitors claim that the Golf is too expensive to produce, and that Volkswagen has brought out its new range (the Passat, Audi 50, Sirocco Golf and Polo) in too much of a lump—manufacturers prefer a steady programme of new launches because of the stability that gives to capital demands. The company also has to solve its problems in America, where it has been losing money but has a large dealer network to defend, and where start-up costs on its proposed manufacturing operation will be heavy.

No-one doubts, however, that VW read the European demand for economy and convenience correctly. In Britain, the outstanding example of a similar switch is the Chevette, a marked reversal of Vauxhall's gradual enlargement of the Viva. Although it employs many Viva parts, the Chevette is a response to the fashionable Continental rear door concept and has already pulled Vauxhall back from less than 7 per cent. of the British market to more than 8 per cent., letting the company put its workers onto overtime. It may also take Vauxhall back into Europe in a modest fashion.

On a much larger scale, Ford's new Escort has been a major success across Europe, even taking top place in the British sales charts, despite much criticism of its high price. In Germany, where the car was *styled, it had shot to third place* in the sales league (behind the VW Golf and Opel Kadett), with 13,000 registrations in April, three months after its launch; over the rest of Europe it achieved sales of 35,000 in April (including 8,000 in the U.K.), which could put it at the head of the European league if this rate is maintained over a full year (the Renault 12 had this distinction last year with sales of 380,000).

The problem with these smaller cars is, of course, how to make money out of them. Lack of profitability was the reason for moving up market in the first place: margins are higher away from the competitive area of mass sales where price rather than taste is usually the determining factor behind purchases.



A quartet of new models: the VW Polo, the Ford Escort Pop ular, and below, the Peugeot 604 and the BL 1800/2200 series.

VW, predicting that it will be back in profits in 1976, appears to have found part of the answer by injecting the kind of tasteful styling into its new models that allows relatively high pricing (at least in European markets: in the U.S. the Golf has drawn "dumping" allegations). With the Polo there have been suggestions of producing a very basic, stripped down model—dispensing with a fuel gauge and so on—but much of the production and sales effort in Germany has so far gone into the more refined, and premium-priced, Audi 50 version of the model.

Front-wheel drive

Ford, producing the Escort at Saarlouis and Halewood, has adopted a more flexible pricing policy. In some European countries the basic Escort, costing £1,440 in the U.K., has been sold at least £100 less, although a good proportion of the vehicles for the Continental market is coming from Halewood. In Britain, with the strength of market leadership behind the old Escort, some 3 per cent. was added to the comparative price of the old model.

Ford's Escort prices may also have been intended to some extent to clear the way for the new Bobcat, the small front-wheel drive model due out of Valencia next year, which slots into the market under the Escort, an area where it will be even more difficult to make profits. In the meantime Ford has backtracked to an old marketing formula with the decision to launch the Popular cheap version of the Escort in the U.K. The company reports great interest, but this is a market gamble which depends crucially on volume.

At the same time as manufacturers are grappling with these problems in the volume sector, the European industry has also witnessed a major effort to move quality car specifications and performance down into smaller body shells while still commanding more comfortable prices. VW, for example, has used its Audi-NSU subsidiary in this way, abandoning vehicles like the cheap NSU Prinz and the Audi 60 to 90 range. In their place it has substituted the 1.6-litre Audi 80 and 1-litre Audi 50, both stylish, well-appointed vehicles with good performance and fuel economy.

In the U.K. the smaller Triumph range is a product of the same policy, while in Italy the Fiat takeover of Lancia has produced something very similar. Fiat is clearly determined to run Lancia as a specialist marque parallel to its own volume interests.

Chrysler, too, seems to be using the same marketing concept with its new front-wheel drive 1300cc model, to be sold in the U.K. as the Alpine, and in France, where it is made, as the 1307/1308. Its hatchback design is in keeping with current European fashion, and it will have a higher price and more luxurious specifications than are normal in the family saloon market. In the U.K. this will differentiate it from the 1300cc to 1600cc Avenger.

The question which this strategy raises is one of market size. Although in the past there have been good profits to be made in the luxury sector at all levels, manufacturers have been putting down plant in the confident assumption that not only will the luxury sector grow but that it will grow faster than the overall market. Now there is a threat of overcapacity.

Investment programme

In the sector for medium size cars, for example, Lancia, which has not made a profit since the Fiat takeover, is coming to the end of a six-year, £140m. investment programme aimed to step up capacity from about 60,000 a year to 140,000 by 1978. BMW, which has produced variants on its 1.8 to 2.5 litre "5" Series this year—the product of a new plant at Dingolfing—is now *launching its smaller* "3" Series.

Higher up the market there are the new Renault 30 and Peugeot 604, while in Britain Rover will be bringing on stream its £70m. Solihull plant next year. This may take over some of the Triumph market in due course, but it will have a capacity of 100,000 cars a year compared with Rover's present 45,000 (in addition the present factory produces more than 40,000 Land Rovers a year). Further up the market still, Jaguar is virtually doubling capacity to 60,000 vehicles a year.

Much of this extra capacity is earmarked for export, particularly to the U.S. BMW, for example, has been putting in a big marketing effort in the U.S. (to convince Americans, among other things, that its initials do not stand for British Motor Works), and after years of absence Lancia is setting itself up through the Fiat distribution network. After Jaguar's unfortunate experience in the U.S. last year, however, when sales fell some 4,000 short of plan, there must be a question mark over these targets.

Against this background of headlong luxury model development, BL's unpretentious 18/22 Series, which has proved relatively cheap to introduce, and is thus relatively low in price, may turn out to have been a more sensible move than some of its critics have suggested. How it fits into BL's long-term model strategy is another matter: we still have to see how BL, anxious to establish "quality" niches for its cars during the latter days of Mr. John Barber's regime, intends to solve the conundrum of running a quality range alongside volume production.

Letters to the Editor

Membership

From the chairman, Maida Vale Branch, Paddington Conservative Association.

Sir,—Having accepted that Labour Party members in principle have committed themselves to the Manifesto, it may perhaps be valid to consider whether it is the enshrined essence of democracy which the Left proclaim. It is based on motions carried at the Labour Party Conference—by seemingly resounding majorities.

Who put the motions forward and how are the votes made up? The answer is that they start, often, as the Newham moves did, in an ill-attended union meeting dominated by militants, many of whom are Communists, with the Labour members being predominantly from the minority who are of the angry Left. This unrepresentative group influences local parties, elects officers and delegates of their own kind to represent them at their local party branches, at their union congresses, at the Trades Union Congress and at the Labour Party Conference. At all of these stages they vote the full number of their various organisations' membership. From a tiny but active power base they impose policies which are as often as not designed more to achieve their ultimate aim than to benefit their members. This process and this narrow view, curbed to some extent by the more ethical politicians, produced the Labour Party Manifesto—the Holy Writ of Democracy!

Real democrats of all parties must be glad that Newham has highlighted this threat—a process already critically successful in so many union and Labour constituency fields. We as a people have not lurched Left—the Left is misusing a creaking democratic system to destroy it. We as a nation have a history of progress, and we have a sound sense of what is democracy—that we should all be free to make our own choices and that those ill-equipped to stand on their own feet must be succoured. We, in our joint thoughts will keep that in view—but we are in danger of having a highly-coloured view and its attendant destructive policies rammed down our throats unless we all take an interest in democracy and its machinery: the trade unionist in his local lodge, the democratic citizen in his local party, whichever one that is.

It is not any party or any part of one which has a God-given vision. Our leaders at all levels are as good as our interest and contact with them makes them.

P. J. V. Kirwan.
23A, Westbourne Terrace, W.2.

Cheque cards

From Mr. G. Wooldridge

Sir,—With reference to your report (July 22) of the resistance to a request from the retail consortium to increase the £30 limit on cheque cards, there is another reason why the banks should not be obliged to honour cheques drawn in favour of third parties for larger amounts than at present. The increasing tendency to force branch managers' hands by the use of these cards is becoming an embarrassment and, while it is recognised that this is yet another example of the trustworthy majority being made to suffer on account of the unscrupulous few, bitter experience suggests that additional discretionary powers should not be made available until standards of morality have risen to justify them.

G. F. Wooldridge.
Hallons Quay, Hallonsford, Worfield, Bridgnorth, Salop.

Direct debit

From Mr. E. Pond

Sir,—The letter in Finance and the Family concerning direct debit policy (July 19) and the hypothetical proposition of non-payment of insurance policy premiums made interesting reading for in my case the very reverse has happened.

While my bank has my instructions on a standing order to pay rental charges at £7.00 per month, the bank came to some arrangement with the TV rental company to pay by direct debit. Because I was lax in checking my bank statements, I did not find out for 12 months that these charges had been increased by 25p per month and that recently, following the increase in VAT, the payment had gone up to £8.40. The bank had paid up on each occasion that the rate was increased by the television company without any authority from me whatsoever.

The bank's answer to this situation is that by direct debit they are presuming the good faith of the company to whom the money is due and that they have an indemnity policy to cover mistakes. This situation is ridiculous and the many possibilities of this system going seriously wrong are too worrying to contemplate.

Edward Pond.
15 The Glebe, Blackheath, SE3.

Preference shares

From Mr. L. Mansfield.

Sir,—Despite the comments from Mr. Justice Brightman as to the capricious effects of the 1972 Finance Act on Preference dividends, Treasury officials now say (July 19) that if necessary retrospective legislation will be introduced to perpetuate the nonsense.

Preference shares created before April 6, 1973, always have been and always should be fixed interest securities. There is no reason why the holders of such securities should be placed in a better position than the holders of any other fixed interest securities such as 3½ per cent. War Loan or of ordinary shares where, despite the imputation system, the standard for dividend restraint is the "gross" equivalent. What happens if we get tighter dividend control and further tax increases? Are preference shareholders to be above the restrictions?

It seems surprising that companies with substantial preference capital have not challenged the legislation already and that the professional institutes have accepted the situation so meekly.

What is needed is sensible amending legislation, not face-saving retrospective legislation.

L. W. Mansfield.
4, Bishop Terrace, Finnerwood, Kinross-shire.

Architects

From Mr. A. Waters

Sir,—Mr. John Adams writes (July 17): "Experience shows that this (the preparation of a brief) can be done only by an independent and professionally motivated specialist working on behalf of the client." Mr. Adams would doubtless accept that when architects give advice they are both independent and professionally motivated.

Time spent in selecting an architect of suitable experience, whether for Mr. Paulden's warehouse (July 7) or Mr. Adams' office, will produce an individual or an organisation well able to carry out all the steps outlined by Mr. Adams which are necessary to prepare a performance specification.

Two advantages follow when this work is done by the architect. The brief will be prepared with a knowledge of building design, construction and legislation, which is unlikely to be possessed by the specialist Mr. Adams has in mind. In working together to produce the brief, a successful client-architect relationship will be established without which no building will be a success.

A. B. Waters.
A. B. Waters and Partners.
193, Old Brompton Road, S.W.7.

Needed

From Sir Thomas Bennett

Sir,—The Financial Times has now published a number of letters under the heading "Can architects cope alone?" The more letters these advisers dictate the more clear it becomes that they have entirely failed to pinpoint the distinction between advice on organisation and method for office or workshop and the technical solution to the problem once it has been defined.

One correspondent refers to the constant change in building design and construction as a reason for not employing architects. This, of course, is complete rubbish. The more buildings change, the more sub-contracting and off-site work becomes necessary, the more vital cost, the more technically complicated engineering applied to building, the more essential it is to have a highly trained technical man like an architect to design the actual structure.

When I was temporary war time Director of Works, I was responsible for advising the Government to employ 350 firms of architects in England, Scotland and Wales to ensure the existence of an active post-war profession and it became quite clear that the public has an extraordinarily accurate method of selecting efficient architects and discarding the inefficient, largely as a result of a statutory fee.

T. P. Bennett.
The Sycamores, North Road, Highgate Village, N.6.

First class

From Mr. S. Andrew.

Sir,—I travelled recently on Pullman Inter-City trains. One evening there were six people in my coach, of whom four had dinner, and it was much the same in the other coaches. Almost one waiter to each passenger. Coaches "a" and "b" were empty and the tables were not set up. The morning train similarly was half full at most.

My sister-in-law recently travelled to Bristol from Macclesfield. All the second class seats were full and many passengers standing, whereas the first class compartments were empty and one was locked—reserved for use after Bristol.

Not only would it appear that we do not need first class on the railway, but also we manifestly cannot afford it, nor can we afford to advertise such services. Does the same apply to first class post and a.m. telephone calls?

Is it not time we stopped trying to be more equal than others?

S. D. Andrew,
J. Waterhouse and Co.
Church Street, Ashton-Under-Lyne, Nr. Manchester.

Computer climb

From Lt.-Col. J. Peacock.

Sir,—Observer's report ("Men and Matters" July 9) on Chris Bonington's use of a computer in preparation for his attempt on Everest prompts me to comment that in fact this is not a "first." We used a computer in logistic studies for the Joint Army Mountaineering Association and Royal Nepalese Army Expedition to Nuptse earlier this year. In this case the model was designed by David Granger of Whitehead Consulting Group and, like Bonington, we used a computer on a time sharing basis.

Nuptse is a sister peak of Everest and although it poses its own special logistic problems—they are in no way comparable with those facing Bonington (he was a member of the successful British Expedition to Nuptse in 1961). Nevertheless the lessons we learnt this year about computerised logistics will be of enormous value in planning our own attempt on Everest in 1976.

J. D. C. Peacock.
Deputy Leader, The Army Mountaineering Association. (Mount Everest Expedition 1976)
School of Electronic Engineering, REME.
Arborfield, Reading.

The International Whaling Commission has made concessions to conservationists. But, asks **Michael Thompson-Noel**, are they enough?

Danger levels in the hunt for the whale

TO WORLD wildlife groups and conservationists, the London-based International Whaling Commission is like a red rag to a bull—an impotent and discredited body, so they believe, which since its formation in 1946 has so bungled the control and conservation of the world's whale stocks that many species have been severely over-exploited: most "great" whales are so reduced as to be nearing commercial extinction, and many others are showing marked declines.

It was with a small sigh of relief, then, that environmentalists took note of the recent IWC meeting in London. At the opening session—Britain is a member, although she no longer does any whaling—the commissioners were given a severe dressing down by Sir Peter Scott of the World Wildlife Fund, who told them they had a "last chance" to take effective action to save whale stocks from extinction.

Compromises

In the event, the commissioners yet again side-stepped international demands for a ten-year ban on all whaling. But they did make some compromises. For the first time, the IWC established quota levels for all the world's oceans; trimmed the total catch approved by the Commission from last year's 37,300 to 32,578, and set catch limits—a total of 2,915 fin and minke whales—for the North Atlantic. (There are, however, several non-IWC countries who operate well outside its jurisdiction among them China, South Korea, Spain, Portugal and Norway.)

The Commission has now classified all whale stocks into three categories: "protection stocks," on which there is to be a total moratorium (this category includes all blue, humpback, gray and right whale stocks): "sustained management stocks," the hunting of which will stop if stocks fall below agreed danger levels; and "initial management stocks," which are deemed in no danger of over-depletion, although they are to be regulated carefully.

Second, the Commission has lowered the coming year's quotas. The fin whale catch in the Antarctic, for example, has been cut from 1,000 to 220; the sei whale catch in the southern hemisphere has been reduced from 4,000 to 2,230; and the total sperm whale catch in the North Pacific has been trimmed from 10,000 to 8,300.

Under the Commission's 90-day rule, its 15 member countries have until September 25 to object to any of the new quotas, in which case they will be exempt from observing them. (Like a baleen whale, the Commission has no teeth; it cannot enforce its proposals.)

Objections are, however, considered unlikely. Even Japan and the USSR, which account for 80-85 per cent. of modern-day whale catches, are unlikely to demur, in which case, says the Commission, it will press ahead with further programmes for whale conservation.

Research

These are said to include an international decade of cetacean research (cetaceans include whales, dolphins and porpoises) to help plug some of the many gaps in man's knowledge of whale behaviour and breeding patterns: a radical strengthening of the Commission's secretariat (at present it has no full-time staff, let alone any marine biologists, and operates on an annual budget of just £11,000); and a review of existing international conventions to bring the Commission more into line with modern principles of conservation.

After the kill: blubber being stripped from a whale at the Leith Harbour whaling station on South Georgia in the South Atlantic.

So where are we now? Are the leviathans safe to roam the seas? Has the threat of commercial followed by biological extinction of whale species receded? According to conservationists, the answer to each question is a resounding No.

Organisations like the Friends of the Earth, the World Wildlife Fund and the International Union for the Conservation of Nature and Natural Resources remain convinced that the case for a ten-year world moratorium on all commercial whaling, as recommended by the UN Conference on the Human Environment in Stockholm in 1972, is as strong to-day as it was then.

Briefly summarised, their case is this: whale quotas, they say, rest on the shakiest of scientific bases and as a means of safeguarding whale stocks are to be almost totally distrusted. The IWC, they claim, has unfailingly given more weight to whaling than to whales and should be replaced by an entirely new United Nations agency.

Whales are not indispensable to the human diet, say the conservationists, nor are their products essential to industry. Whales exist in international waters and should not, therefore, be exploited for the benefit of individual countries. Catch controls, say the conservationists, have consistently been based on the most optimistic estimates of whale populations, whereas the only responsible procedure should have been to err on the side of caution.

Finally, they say, a ten-year moratorium, while allowing whale stocks to recover to reasonable sizes so that a valuable protein source can be regenerated and preserved, would also permit the development of more humane means of killing. At present, the hunters attack with barbed harpoons fitted with grenades. The death throes of large whales can last for 30 minutes.

A ten-year moratorium would, of course, kill off the present-day whaling industry, and the investment cost of starting up again in ten years' time could be prohibitive. That, however, may not necessarily be so: Dr. Sidney Holt has calculated that, if whale stocks in the Antarctic alone were given time to recover, whales could provide an invaluable harvest of up to 2m. tonnes of protein annually.

A moratorium, say the conservationists, would permit: proper reappraisal of the way whaling is conducted and controlled; rigorous scientific studies of populations and social habits; realistic estimates of sustainable yield targets; and the determining of how whale stocks should be shared out fairly to alleviate global protein deficiencies. If whales are to be treated as a protein resource at all, say the conservationists, they must be given the status of a "common heritage resource" that benefits all mankind, not merely the nations capable of exploiting it.

One of the fiercest controversies between the two sides concerns the IWC's system of quota fixing. At present, IWC quotas are based on the recommendations of its scientific committee, which in turn employs the concept known as maximum sustainable yield (MSY), for which a mathematical model has been developed.

This relies on the theory that whale birth rates rise when populations are exploited, thus producing a greater surplus for harvesting even though the total population is reduced. However, if the population falls below a certain level (usually taken to be 50 per cent. of the "original" or "natural" size), the sustainable yield theoretically falls below its maximum.

But the concept of MSY as applied to whale stocks is by no means universally accepted. An article in *The New Scientist* earlier this year, for example, based on data published by the Friends of the Earth in *Whale Campaign Manual No. 2*, listed seven objections.

In particular, MSY, said *The New Scientist*, was calculated in terms of numbers only and therefore ignored the size, age and sex structures of exploited stocks. MSY also assumed that whale populations were naturally stable, whereas natural population crashes could not be predicted and could be exacerbated by heavy culling; further, intensive whaling ate into the stock surplus normally available as an insurance against natural disaster.

Among the various species of "great" whale, much concern has centred on the sperm whale, which accounts for around 40 per cent. by weight of the total catch of all species. Until recently, some scientists were complacent about sperm whale stocks, assuming that they were above MSY levels. Even if true numerically, say the conservationists, there has been an apparently disastrous decline, they claim, in some seas in the average length and weight of captured sperm whales—from 54 ft. to 45 ft. in the Antarctic since 1933, for example, and from 47 tons to 27. This indicates that the species so-called "bio-mass" (its total living mass) may be undergoing serious depletion which could affect genetic structures and hence growth and breeding patterns.

Lubricant

Britain has banned the import of all whale products save sperm oil, which is used mainly in the leather industry and as an industrial lubricant. At present, the most promising natural multi-purpose sperm oil substitute seems to be the oil extracted from the seeds of the jojoba shrub (*Simmondsia chinensis*) which grows in North America. The Office of Arid Lands Studies at the University of Arizona is investigating the plant's economic potential. In the meantime, say the conservationists, there are perfectly viable synthetic sperm oil substitutes available.

The main whaling nation is Japan, which in recent years has had to contend with the sustained wrath of wildlife groups and which countered, halfway through last year, with a determined public relations campaign designed to establish that whaling played an important part in the Japanese diet. Whale meat, says the Japan Whaling Association—the main Japanese fleets hunt mainly in the Antarctic and North Pacific—is especially important because it is a cheap source of protein.

The FOE manual argues that whale meat supplies only 0.8 per cent. of Japan's total national protein intake (the figure is declining) and that whaling accounts for only a fraction (perhaps 1.5 per cent.) of total Japanese fisheries. It also observes that in 1970, for example, the weight of fish and related products *exported* for food by Japan was five times that of her whale catch for food. Much of these exports were high-value produce such as tuna, so that the protein "gap" created by a world moratorium on whaling, argues the FOE, could be covered by only a slight cut-back in Japan's exports of fish.

Slaughter

What worries the wildlife groups most of all is the possibility, faint but still there, that the whalers may soon decide to slaughter as many whales as possible within the lifetime of their existing fleets (there has been little new recent capital investment in the industry). Mr. Colin Clark, a Canadian mathematician, has produced a paper, *Profit Maximization and the Extinction of Animal Species*, which indicates that on purely economic grounds the total annihilation of whales could make sense. It is an unlikely scenario but is nevertheless one of the more daunting options open to the whalers.

LABOUR NEWS

Legal and General defeat for ASTMS

BY JOHN WYLES, LABOUR REPORTER

A BALLOT of more than 5,000 Legal and General Assurance staff has dealt a sharp blow to the Association of Scientific, Technical and Managerial Staffs' hopes of extending its bargaining rights within the insurance world.

The ballot result was against recognition rights for ASTMS at Legal and General, but the union is still pressing on with its recruitment campaign in the City which has included a speech to Stock Exchange staff, this week, by Mr. Clive Jenkins, ASTMS general secretary.

ASTMS already has full bargaining rights at a number of major insurance companies, including the Prudential and the Pearl, and the union had high hopes of bringing Legal and General within its net through the recent ballot—organised by the Industrial Society.

Its efforts have run into unexpected resistance, including the rapid formation of a staff association which campaigned actively against a vote for ASTMS. In a 90 per cent. ballot of the 5,325 staff, 1,976 (about 41 per cent.) voted for full recognition of ASTMS and 2,805 (59 per cent.) voted against.

ASTMS which claims 1,500 members at Legal and General, yesterday blamed its defeat on the creation of the staff association and the introduction of the £6 pay rise limit which, it argues, encouraged staff to believe they would not need a union for the time being.

Services medical and dental officers get 33%

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

ARMED FORCES' doctors and dentists have been given a 33 per cent. pay rise under a deal recommended by the Review Body on Armed Forces' Pay, approved by the Government.

The award, backdated to April 1, brings pay for medical and dental officers in the three Armed Services into line with their civilian counterparts. Nearly 2,000 are covered. It is their first pay award since April 1974.

The increases arise from the overall review earlier this year of Forces' pay. As such, they escape the Government's £6-a-week limit on pay awards that becomes effective on August 1.

The rises will put a major, and his equivalent in the Navy and Air Force, on a scale ranging from £7,738 a year to £8,567, compared with the previous level of £5,413 to £6,147.

Picket paroled

ERIC TOMLINSON, 34, one of the "Shrewsbury Two" building pickets, was paroled from Leicester Prison yesterday after serving 15 months of a two-year sentence for plotting to intimidate workers in the 1972 building strike.

TUC 'not capricious'

BY OUR LABOUR REPORTER

THE TUC yesterday defended itself in the High Court against allegations that its inter-union disputes procedures had been shown to be "arbitrary and capricious" by the row over a merger between the Association of Professional, Executive, Clerical and Computer Staffs and the General Accident's staff association.

Appearing for the TUC, Mr. Peter Pain, QC, told Mr. Justice Foster that TUC disputes committees heard about 80 disputes a year which mainly involved arguments between unions over spheres of influence and allegations of membership "poaching" between unions.

The case, which continues on Monday, stems from a TUC disputes committee ruling that the merger last August between APEX and the staff association must be severed. This decision, which was binding on APEX, upheld a challenge by the Association of Scientific, Technical and Managerial Staffs which had a long history of membership at General Accident whereas APEX had none.

Mr. Charles Rothwell, chairman of the staff association, is seeking an injunction to prevent APEX complying with the ruling. APEX has joined the TUC to the case to try to stop any disciplinary moves against it if Mr. Rothwell succeeds.

Weighting escapes curbs

BY MICHAEL DIXON

Increases due in schoolteachers' London weightings will be treated as relating to April 1, and so not subject to the £6 pay curbs, even though negotiations on the weightings were adjourned yesterday by the Burnham Committee until September.

The unions are claiming rises of about 20 per cent. on the weightings of £351 for about 25,000 teachers in Inner London, and £267 for 35,000 in Outer London.

The Burnham meeting also effectively approved the 22.3 per cent. average pay award, backdated to April 1, for nearly 500,000 schoolteachers in England and Wales. The award, recommended by an arbitration tribunal, was announced on Wednesday.

Government setback in Industry Bill

BY JOHN HUNT

THERE IS every possibility that the Government will fail to remove from the Industry Bill the amendments which oblige the Treasury to produce a wide range of economic forecasts to industry and to anyone else seeking them.

The provisions were originally inserted by Dr. Jeremy Bray, Labour MP, and recent attempts to remove them in the Commons resulted in two heavy defeats for the Government.

In the House of Lords yesterday, the Government was again out-voted twice when it tried to reverse one of the Commons defeats.

As a result, the Bill now retains Dr. Bray's paragraph stipulating that the Government and Treasury should publish, make available and provide access to macro-economic forecasts as specified in Schedule 4 of the Bill.

The forecasts would give the expected level of gross domestic product, employment, balance of payments, retail price index and average earnings.

The schedule itself is due for discussion on Monday when the Government will try to replace it with a new schedule of its own. Judging by yesterday's vote, there is every chance that it will fail.

Yesterday, the Government supported an amendment by Lord Rhodes (Lab.) which would have removed Dr. Bray's paragraph and replaced it with a less specific paragraph stating that the Government and Treasury had a duty to publish and give access to information and analysis. This was defeated by an Opposition majority of six (52-46).

The Government then moved its own amendment attempting to make Dr. Bray's paragraph a separate clause. This would have separated it from the clause which lists those who have a duty to disclose information under the Bill.

For the Conservatives, Lord Campbell of Croy objected that this would mean that the Government would have no obligation to provide information as its part of the joint bargain with industry.

There was also disquiet on the Government benches. Lord Bowden (Lab) complained that the Treasury had always refused to give to other Government departments—let alone Industry—the information on which it based its forecasts.

Despite attempts by Lord Beswick, Minister of State for Industry, to reassure peers, the Government amendment was defeated by a majority of four (49-53).

Neither of these Opposition victories in the Upper House can be reversed when the Bill returns to the Commons. At that stage only new amendments which have been passed in the Lords can be considered.

Insurance industry rapped by judge

BY STEWART FLEMING

AN ATTACK on the insurance industry for failing to accept responsibility for supervising its members was made by Mr. Justice Templeman yesterday in the Companies Court.

Giving judgment in a case to decide how the £21m. of funds of the failed Nation Life Insurance company should be fairly shared out the judge said: "I am left wondering how many more insurance companies must crash, bringing hardship to members of the public, before the insurance industry accepts responsibility for supervising members of the industry and their conduct."

Referring back to the collapse of Vehicle and General Insurance in 1971, Mr. Templeman said that he was a member of the tribunal of inquiry into the V. and G. collapse which said that the same problems might arise in other fields of insurance and should be faced. "These problems do not appear to have been faced," he added.

Publicity literature put out by Nation Life was similar to that of many other insurances companies. "Whether a member of the public is beguiled by the literature of one company or another is a matter of luck," he said, pointing out that both V and G and Nation Life were members of the British Insurance Association.

The judge sanctioned an arrangement under which Mr. Gerry Weiss, the liquidator, was authorised to pay an interim dividend which Mr. Weiss said would be between 30p and 40p in the £ and would be paid as soon as possible to claimants.

The compromise provided that any appeal over the distribution should relate to monies not yet realised—estimated at £7m.—and not to the £14m. already realised. The company's £21m. of assets are available to meet liabilities of £27m. relating to 32,000 policyholders. A major question yet to be resolved is Nation Life's Bournemouth property and whether the site belonged to property bond holders or not.

Mr. David Jackson, leader of the Policyholders Protection Committee said after the hearing that Nation Life should be brought within the Government's proposed legislation for protecting policyholders of companies which hit financial difficulties. He also criticised the scale of fees for professional services related to resolving the Nation Life situation, arguing that the £1½m. of legal and professional costs so far was too high.

WARNING FOR RATE REBELS

Rate rebels in Long Melford, Suffolk, who have said they will not pay more than 10 per cent. in rate increases next year have been warned by the county council not to induce people to break the law. The council has sent a warning letter.

Estimate of North Sea platform orders cut by 30%

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THERE ARE signs the Government intends to take tougher action to prevent orders for North Sea oil production platforms being placed with Continental competitors, in the light of its new forecasts. These show a drop of more than 30 per cent. in expected demand for oil platforms during the next five years, compared with figures issued 12 months ago.

Despite this fall, the Government has decided to underwrite the £11.5m. cost of developing another platform construction yard on the Scottish west coast, at Hunterston

Under the Offshore Petroleum Development (Scotland) Act it will guarantee the repayment of advances to a total of £11.5m. made to the Anglo-Dutch Offshore Concrete Group (ANDOC) by the Clydesdale Bank.

The guarantee will not be operable if the group first receives an order which it allocates to its Rotterdam yard.

This stiff requirement is clearly the Government's response to pressure from Scottish political and trade union sources to protect the jobs of the 7,000 employees currently engaged in Scotland's six platform establishments.

In a written Commons reply yesterday, Mr. Anthony Wedgwood Benn, the Energy Secretary, said the range of possible platform orders was now put at 43-61 by 1980, compared with a range of 55-80 given last August.

COMPANY NEWS + COMMENT

38% reductions at Lloyds and Midland

REDUCED PROFITS for the first half of 1975 are reported by the Lloyds Bank and Midland Bank groups. Both fell by some 38 per cent.—Lloyds to £47.38m. and Midland to £41.49m.

Midland has provided, in arriving at its profit, additional provision against advances of £2.5m., compared with £5m.

Main factors influencing Midland's profits have been lower interest rates, a slight fall in the total of resources employed and a continued increase in overheads, particularly staff costs.

Customers' balances have, however, shown an "encouraging" increase.

Because of the economic conditions affecting business, both in this country and overseas, Midland is not making a forecast for the year as a whole, but points out the recent pay settlement will further increase staff costs.

Its net interim dividend is being held at 4.2p, but payable on capital as increased by the rights issue and acquisition of a further 12 per cent. investment in Standard and Chartered Banking Group. The bank's share of Standard's profit for the period May 14 to September 30 1975 will be included in the second half. The interim dividend received on the former 4 per cent. holding is included in trade investment income for the first half.

Earnings per £1 share are given as 14.7p (28.9p) basic and 13.9p fully diluted. For all the year 1974 profit before tax was £96.23m. and the dividend 10.7556p.

	First half 1975 £000	1974 £000
Trading surplus	55.565	75.115
Depreciation, etc.	7.245	5.729
Add. provision	2.500	5.000
Trade invest. inc.	951	871
Associates	1.297	2.359
Loan interest	5.004	4.925
Profit before tax	41.496	64.260
Group tax	25.903	36.912
Associates tax	1.231	1.659
Minority losses	577	119
Attributable	16.573	29.216
Dividend	5.364	4.076
Retained	11.269	25.240

Lloyds reports that average resources attributable to U.K. domestic business continued to increase; but there was a further rise in the proportion of customers' balances held on interest bearing accounts, interest rates were lower, and the demand for advances slackened.

As a result, interest earnings in the U.K. were little changed while staff and other costs were substantially higher. Earnings from international business were well maintained.

Losses of associated companies this time reflect Grindlays Holdings and Finance for Industry arising from special provisions against advances and investments.

Half-year earnings are stated at 15.33p (26.57p) basic and 14.38p (24.42p) fully diluted. The interim dividend is 3.377p, compared with 3.165p. Total for 1974 was 6.9318p from profits of £74.95m. before tax, but after additional provisions, contributions and unauthorised foreign exchange transaction loss totalling £51.54m.

	First half 1975 £000	1974 £000
Profit before tax	47.377	75.922
Group	49.554	71.057
Associates losses	2.157*	*4.865
Group tax	26.161	38.710
Associates tax	1.121	2.[illegible]
Minority	199	192
Extraord. debit	†1.721	—
Attributable	18.175	34.484
Dividend	4.382	4.107
Retained	13.793	30.376

* Profits. † Loss on disposal of Balfour Williamson.

See Lex

W. E. Norton hits peak £284,804

As expected, taxable profits of machine tool merchants W. E. Norton (Holdings) reached record levels in the year to March 31, 1975. The rise was from £206,038 to £284,804 after £155,000 against £73,000 for the first half.

The final dividend is 0.21979p net, making 0.52010p compared with 0.5325p.

	1974-75 £	1973-74 £
Turnover	3,551,179	4,452,444
Profit	402,135	322,672
Interest payable	73,006	30,157
Depreciation	45,925	36,447
Profit before tax	284,804	206,038
Taxation	155,000	76,713
Net profit	129,804	129,325
Interim dividend	18,800	11,714
Proposed final	17,749	20,444
From share prem. a/c	10,039	—
Retained	103,484	97,167

BHP profit up to $109.5m.

CONSOLIDATED net profit, before extraordinary items, of Broken Hill Proprietary advanced from $A99.68m. to $109.54m. for the year to May 31, 1975.

Net profit return on issued capital and reserves, before the extraordinary items, is shown at 6.8 per cent. compared with 6.6 per cent.

The steel industry section incurred a net loss after tax and financing of $5.2m. Marketable steel production for the domestic market decreased by 6.7 per cent. but the loss after tax and financing charges was $37.88m. compared with a loss of $1.58m. in 1974.

A profit increase in the minerals industry section was due mainly to higher production and shipments of manganese ore and iron ore together with higher effective export prices. Export returns were assisted by devaluation of the Australian dollar and from renegotiation of contracts with purchasers.

BHP says that the profit level achieved in the past year will not be maintained in the year now current. Major factors in this situation are the greatly reduced Australian demand for iron and steel, the depressed state of world markets, and the prospect of continuing high inflation.

	1974-75 $000	1973-74 $000
Sales revenue	1,761,077	1,297,576
Net profit	109,535	99,677
After:		
Fixed asset utilisation	152,613	132,214
Income tax	152,543	119,657
Extraordinary credit	1,300	—
Net balance	110,835	99,677
Minority	2,441	904
Analysis:		
Steel industry	†5,207	8,383
Minerals	21,279	29,954
Petroleum	89,272	37,564

* Of net profit before extraordinary item. † Loss.

Comparative figures for 1974 restated to reflect tax rate change from 47.5 cents to 45 cents in the dollar announced subsequent to completion of 1974 accounts.

so it is unlikely that results for the second half will equal those of the first.

Capital investment has been reduced as the group has spare production capacity in virtually every area. This has helped the continued improvement of the balance sheet. *The foreign currency loans have been partly repaid*, and a modest cash balance built up.

The contract for the sale of the remaining assets in the U.S. has been exchanged. Terms provide for payment on a deferred basis, and are satisfactory.

White Child confirms forecast

Reporting first half taxable profits of £510,000 against £525,000, the chairman of White Child and Beney, Mr. R. W. O. Beney confirms his earlier forecast of at least £850,000 for the year to September 30, 1975.

He expects the group to prosper in the medium term and to maintain the past pattern of profitable growth in the longer term.

The net interim dividend is maintained at 1.2p per 25p share. Last year's total was 2.75p paid from record profits of £1.13m. before tax.

	Six months 1974-75 £	1973-74 £
Sales	3,299,100	3,227,100
Trading profit	638,700	644,925
Bank, etc., interest	128,700	119,925
Profit before tax	510,000	525,000
Tax	265,000	273,000
Net profit	245,000	252,000
Interim dividend	50,960	50,960

The chairman says that the period was one of increasingly difficult trading. Order books declined, with marked falls in the plastics raw materials and supermarket equipment areas. Results as a whole were satisfactory, but it masked a deteriorating trend.

● comment

At the beginning of March White Child's results were "somewhat better" but by the end of that month the outcome for the first half was profits slightly lower. With the order position clearly declining, the company looks faced with a difficult second half. Indeed, the £850,000 forecast suggests a 42 per cent. pre-tax decline in the current period. With spare capacity on its hands, White Child is clearly in need of a recovery in demand, leaving the shares at 42p on a 10.2 per cent. yield with limited short-term potential.

Yule Catto may not match 1974

TAXABLE profits of Yule Catto and Co. at £344,584 for the six months to April 30, 1975, were higher than the £305,010 of the previous corresponding period, but less than the £448,228 of the second half of 1973-74.

In the present economic circumstances the results are regarded as not unsatisfactory and the company maintains a strong financial position, says Lord Catto, chairman.

The Williaam Cox Group continued to make a significant contribution, he reports. In Malaysia, the plantations benefited from record palm oil harvests and from high prices, but this was more than offset by Government restrictions on rubber harvesting and a weak rubber price.

In view of continued uncertain conditions in the property market, £40,000 has been charged against trading profits to write down book value of the group undeveloped industrial land to just over £100,000.

Lord Catto points out that palm oil prices have come down significantly from the high levels *experienced in the first half and* he warns that in the absence of economic recovery leading to higher rubber and oil prices at the plantations, and an increased order intake for the group, "it will be difficult in the full year for the company to achieve the record profits of 1974."

An interim dividend of 0.45p net per 10p share, against 0.4p, is declared, equal to 0.6923p (0.597p) gross. Net total for the year to October 31, 1974, was 1.0581p—gross 1.57923p.

	Six months 1975 £	1974 £
Turnover	2,445,2[illegible]	2,305,7[illegible]
Trading profit	429,904	381,048
Investment income	42,142	49,874
Making	472,046	430,922
Interest paid	127,452	125,912
Profit	344,584	305,010
Tax	178,988	149,107
Available	165,596	155,903

● comment

Adding back the write-down in development land stretched Yule Catto's pre-tax profits increase from 13 per cent. to 26 per cent.; but comparison with last year's second half shows a 14 per cent. decline, a trend which is likely to continue into the second half. The fall in rubber prices from 91 cents per lb to 51 cents has been exacerbated by a 25 per cent. cutback in production: the recent pick-up to 65 cents is unlikely to benefit the current half. In addition, palm oil profitability has been damaged by the Kievet collapse and subsequent rescission of forward contracts on the Malaysian pool. The U.K. contribution, mainly from William Cox, has risen to about one-half of trading profits and an improved *order book for precision medical* equipment roughly balances the fall in building orders. The balance sheet is under no pressure (borrowings were less than a quarter of shareholders' funds in October and 70 per cent. of assets are in Malaysia. At 31p the shares, which have performed in line with the rubber sector this year, yield a prospective 5.7 per cent.

Setback at LRC: pays less

A SEVERE setback has been experienced by LRC International in its second half, with profits at £0.55m., against £2.75m. This means the total for the year ended March 31, 1975, is more than halved—from £5.05m. to £2.39m.

Managing director Mr. M. Sellers says he has never made any secret of the fact that disappointing results could be expected from LRC before it began to benefit from the extensive reorganisation now being implemented.

"*Elimination of the problem* areas, both obvious and incipient, will demonstrate that a leaner company has a great many advantages."

Although the net dividend is being cut from 2.94p to 2p, it is a measure of the Board's confidence in the future. The final is 1.15p.

Earnings are 1.69p (6.32p) basic and 1.84p (5.85p) fully diluted. The increase in the latter is brought about by the relative incidence of convertible loan stock interest on this year's lower earnings.

	1974-75 £000	1973-74 £000
Turnover	56,716	51,175
Profit before tax	2,395	5,045
U.K. tax	7	99
Overseas tax	572	684
Deferred tax	1,307	5[illegible]2
Extraord. profit	151	[illegible]
Attributable	808	3,256
Dividends	*592	1,[illegible]0

* After £85,000 taken as scrip option on interim.

By this time next year, Mr. Sellers is confident that LRC will have been brought round and the group will be able to turn in "some very satisfactory results."

Over the past two or three years the group has had to contend with various problems in different divisions, particularly those in the U.S. and in the medical division, and with the Monopolies Commission Report on contraceptive sheaths in this country.

● comment

After LRC's dismal share price performance this year, some comfort may be drawn from the level of the final dividend—which is covered with the help of exceptional items. That gives a yield of nearly 15 per cent. at 22p, and *the management is taking a very* bullish line about the current year. It hopes to break even in North America, after losses of £1.1m. pre-tax, and to produce sharply higher profits at LR industries despite the call for lower prices from the Monopolies Commission. But the drug Prostatin is not now scheduled to make any significant returns for the next couple of years, and there have been expensive mistakes made in the U.S. launch of Eygenic. So the management has everything to prove.

CHAMBERLAIN PHIPPS

The Chamberlain Phipps annual meeting was told that the trading situation was no better than it was at the end of the last financial year, but there had been an improvement in the cash position, which in turn was reducing interest charges.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Adda International	nil	—	0.3	nil	0.72
Allied Textile int.	2.06	Oct. 2	1.93	—	4.95
Benfield & Loxley	0.75	—	0.7	0.75	0.7
Common Market Trust	30.5(b)	Sept. 1	39	30.5	39
Fodens	0.33	Aug. 20	3.14	0.33	3.14
Lloyds Bank int.	3.37	Sept. 5	3.16	—	6.93
LRC	1.15	—	1.82	2.0	2.94
Midland Bank int.	4.2†	Oct. 3	4.2	—	10.76
W. E. Norton	0.22	—	0.33	0.52	0.59
Peldayne (Holdings)	0.14	Sept. 26	0.28(a)	0.14	0.28
St. George's Laundry	0.28	—	0.57	0.56	0.85
Wm. Sommerville	1.58	Sept. 26	1.44	2.45	2.31
Stavert Zigomala	3.6	—	3.52	3.6	3.52
Sterling Trust	1.4	Aug. 1	1.4	—	3.85
Vita-Tex	1.0	—	1.75	2.2	3.13
Wheeler's Restaurants	3.01	—	2.68	4.48	4.08
White Child & Beney int.	1.2	Oct. 1	1.2	—	2.75
Williamson Tea	4.5	Sept. 25	4.22	4.5	4.22
Yule Catto int.	0.45	Aug. 22	0.4	—	1.06

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 15 months. (b) Net of Jersey tax.

Vita-Tex second half slump

IN THE last seven months of the year to April 30, 1975, conditions changed from buoyancy to depression and profits of warp knitted fabric makers Vita-Tex were halved, from £477,000 to £226,000.

A marginal improvement to £211,000 had been shown at midway.

The difficult conditions are continuing, the directors state. They are cutting the dividend from 3.15p to 2.2p net, with a final of 1p.

	1975 £000	1974 £000
Turnover	5,452	4,940
Trading profits	568	779
Depreciation	216	200
Interest payable	126	102
Profit before tax	226	477
Taxation	124	234
Net profit	102	243
Dividend	*60	97

* After waivers £12,600.

Claims for stock relief have eliminated any liability for payment of mainstream corporation tax in respect of the previous two years. These claims have caused major changes in the reserve for *deferred tax which has risen from* £316,000 to £489,000 and have resulted in a higher tax charge this year due to prior years' adjustments.

● comment

The world textile recession really took hold of Vita-Tex in the second half of 1974-75, sending profits tumbling from £276,000 pre-tax to just £15,000. Demand has remained at a depressed level in 1975-76 but the group is engaged in several cost-cutting exercises—the work force has already been considerably reduced—which have enabled it to make a £60,000 reduction in year-end borrowings to £340,000. This could produce a fairly substantial improvement in pre-tax margins in the current year, but a sharp drop in overall profitability still looks inevitable and the caution expressed by a 26 per cent. yield (covered 1.4 times) at 14p seems justified.

Allied Textile decline

FOR THE half year to March 31, 1975, pre-tax profit of Allied Textile Companies shows a £373,542 decline at £655,752. Profit for the last full year was £2.07m.

The directors state that current trading in many of the group's companies is satisfactory and likely to be so while the principal home trade customers call forward goods to support retail sales. Generally, stocks are low. The least active trading and poorest order books are at the factories catering primarily for exports. These markets have been dull but there are indications of some improvement.

If measures necessary to reduce inflation are "rigorously" applied by the Government home trade demand is likely to decline, they add.

Earnings for the half year are shown to have fallen from 7.71p to 5.077p per 25p share. The interim dividend is stepped up from 1.92625p to 2.055625p net—last year's total was 4.94625p.

On the results the directors explain that the effects of trade recession and high inflation significantly reduced profitability of some of the member companies but, other major subsidiaries achieved "outstanding" results.

	Six months 1974-75 £	1973-74 £
Turnover	12,519,405	12,536,896
Depreciation	340,333	241,409
Directors' remuneratn.	73,445	67,818
Bank interest	211,335	203,696
Loan interest	35,641	62,043
Investment income	7,262	12,729
Profit before tax	655,752	1,029,294
Tax	341,000	539,080
Attributable Ordinary*	313,066	476,369

* After minority interests and Preference dividend.

The group intends to expand the scale of its business in areas with the best growth prospects and will not hesitate to curtail *sectors* where profits are low and outlook unpromising. Two production units are being closed and others have and are being "significantly" reduced in scale, the directors say.

This on-going rationalisation programme will further strengthen the group's balance sheet. Bank borrowings at the end of September, 1974, were £3.4m. and by June 30, 1975, were reduced to approximately £1.4m. *This improvement includes the* benefit of stock relief provisions.

● comment

The rate of decline in Allied Textile's first-half profits, at 36 per cent. compares with a two-thirds setback by Illingworth Morris over the same period. Certainly the AT result is better than expected and exceeds the gloomiest outside estimates by as much as 30 per cent., and there is some room for rejoicing in the increase in dividend. The share price responded last night with a 3p rise to 52p where the prospective yield is 16.2 per cent. There is a widely-held view that probably the worst is over for the textile sector, with the destocking phase now over, though it is unlikely that trade in the U.K. will pick up rapidly. The balance sheet, however, is looking much improved, with bank borrowings down £1.45m. since the end of March, and the group looks better placed than most to take advantage of any upturn.

Wheeler's profit up

FOR THE year ended March 31, 1975, Wheeler's Restaurants has achieved a profit increase of £74,000 to £305,163.

At halfway the profit was some £68,000 ahead, and in part reflected the sale of a loss incurring unit.

Earnings for the year were 12.54p against 7.27p per 10p share, and the final dividend is 3.01p net for a total of 4.48p compared with 4.08p.

The directors state that in current conditions it is hard to foresee the future but they have taken steps to deal with problems that may arise. "We hope to anticipate the trend of business and so sustain the company's position in the restaurant world."

The liquid position is satisfactory and the overdraft facility is available to finance acquisitions in mind.

UNIT TRUSTS

Tyndall Assurance savings plan

Tyndall Assurance is advertising its Tyndall Assured Savings Plan which is linked to the Tyndall International Earnings Plan. The minimum investment per month is £10 and the life cover is 180 *times the monthly premium* or the value of units, whichever is the greater. The plan has no fixed term and there is a provision for leaving units in the fund for further growth when payments are stopped. Charges are relatively low and vary according to the amount of the monthly premium. In the first year, for example, the maximum allocation to units is 84 per cent. up to the first £20 per month (94 per cent. *of any excess over £20 per month*) rising to 94 per cent. per annum between the second and 12 years and 97 per cent. thereafter. This applies to policyholders aged under 35.

● comment

The Tyndall Assured Savings Plan linked to the Tyndall International Earnings Plan is probably the best way of investing in this fund from now on since it got off to a flying start at the bottom of the market and has slipped back a little recently. But it is still up by 78 per cent. since last December and the £10 per month minimum premium is low enough to have a wide appeal.

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SAVE & PROSPER PROPERTY

The Save and Prosper Property *Fund is on display from S & P* Customer Services this week, coinciding with the appearance of the annual progress report. The managers reckon that the long-term outlook is more encouraging than for some time past and that the yields from commercial property compare favourably with those "from other equity investments." The portfolio breakdown is offices 41 per cent.; shops 35 per cent.; and industrial 24 per cent. The major proportion of these properties is in the South East of England—Europe accounts for 14 per cent.

● comment

The Save and Prosper Property Fund was launched in May 1971 and the units have increased in value by just over 12 per cent. over the period. This may not sound much but it is better than a great many other alternative investments. S & P draws attention to the withdrawal facility on the bond which is of interest to the higher rate tax payer in that it *enables the investor* to withdraw 5 per cent. of his initial investment each year for 20 years free of personal tax at the time.

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LAWSON HIGH YIELD

The Lawson High Yield Fund is on offer with an estimated gross yield of over 13½ per cent. *The portfolio is split* between high yielding Ordinary shares; investment trust income shares; and preference shares—the first two categories amount to 62 per cent. of the fund. Income is payable quarterly and the fund now has more than 6,000 investors with a total portfolio of £4.5m.

● comment

Still yielding at the top end of the spectrum with a 13½ per cent. return, *the distinction* of the Lawson High Yield Fund is that it does seem to offer people what they want—high income paid regularly. The capital growth prospects are more difficult to assess and are limited by the Preference share content in the portfolio. But, given the level of income, the trust does not seem to have done too badly since it was launched in June last year.

Prospectus Page 3

ISSUE NEWS

Ciba-Geigy £10m. convertible

Ciba-Geigy (G.F.S.), a wholly owned subsidiary of Ciba-Geigy (U.K.) which in turn is a wholly owned subsidiary of Ciba-Geigy AG of Basle, Switzerland, is placing an issue in the U.K. of £10m. 8½ per cent. Convertible Guaranteed Loan Stock 1982/95.

The stock is convertible into Bearer Participation Certificates of Ciba-Geigy AG during the period January 1, 1976 to June 30, 1995 at the rate of 0.51473 Bearer Participation Certificates per £100 of stock (subject to such cash adjustment as is required to ensure compliance with existing exchange control requirements and/or variations in the exchange rate between sterling and the Swiss franc) equivalent at Sw.Frs.576.50 to £100, to a conversion price of Sw.Frs.1.120 per Bearer Participation Certificate.

The Stock will be issued at par payable as to £50 per cent. on acceptance and £50 per cent. on October 27. Net proceeds, estimated at £9.8m., will be used for *working capital and expansion of* the Ciba-Geigy group in the U.K.

An application is being made for permission to deal on the Luxembourg Stock Exchange, and dealings are expected to begin on July 29.

Brokers to the issue are W. Greenwell and Co.

SLOUGH ESTATES

Under the agreement entered into as a result of the offer for Yorkshire and Pacific Securities in March 1969, a further 58,711 Ordinary Shares of 25p have been issued by Slough Estates in exchange for 10,000 shares of no par value in Slough Estates Canada.

MITCHELL COTTS

Mitchell Cotts Group announces that, in response to the rights issue of £4.75m., 13 per cent. Convertible Unsecured Loan Stock 1990/95 at par, acceptances have been received in respect of about 71.1 per cent. of the stock and the remaining 28.9 per cent. has been taken up by the underwriters.

FOREIGN & COLONIAL

Foreign and Colonial Investment Trust announces that a new five year loan facility of U.S.$5m. has been arranged with Morgan Guaranty Trust Company of New York.

Fodens convertible rights

County Bank announces that underwriting has been completed for a rights issue by Fodens of 3.17m. 10 per cent. Convertible Redeemable Cumulative Preference £1 shares at par.

The Preference shares will be allotted to Ordinary holders registered on July 24, 1975, on the basis of two shares for every five Ordinary held.

The proceeds of the issue, estimated to amount to £3m. will be used to reduce present bank indebtedness.

Each of the new Preference shares is to be convertible into four "A" Ordinary 25p shares. The new class of "A" shares will have the same dividend, capital and voting rights as if their par value were 50p each. Each "A" Ordinary share of 25p should therefore have a value about equal to that of an *Ordinary share of 50p. The result* will be that, assuming full conversion, the new Convertible shares will account for approximately 61 per cent. of shareholders' equity.

Brokers to the issue are Hoare and Co., Govett.

Taxable profits improved from £230,921 to £946,348 in the year to March 29, 1975, and stated earnings from 5.8p to 8.9p per 50p share.

The dividend is 0.325p net compared with 3.140625p. The nominal nature of the dividend is conditioned by the current cash position and by the negotiations leading to the completion of funding arrangements.

On current trading the directors report that the outcome for the year 1975-76 is virtually impossible to predict at present. Sales *in the first quarter have not been* sufficient to meet the internal estimate of the level required to break even but it is the directors' view that the effect of the long period of uncertainty concerning the future of the company has been a significant factor in impending sales. Once this uncertainty has been removed it is anticipated there will be an improvement *in the present* level. The South African subsidiary is currently trading profitably.

Value of exports from the U.K. increased by some 80 per cent. to £6.67m. Overseas markets remained strong and increased penetration was effected in most territories, particularly in the Middle East, says chairman Mr. W. L. Foden in his annual statement with the full accounts.

The auditors' report is qualified—"These accounts have been prepared on the basis of the group remaining a going concern which assumes the continuing support of the company's bankers and of the Department of Industry until negotiations presently being conducted to secure necessary funds to reduce its dependence on such short-term financial assistance are satisfactorily concluded."

Meeting Sandbach on August 18, at 3 p.m.

	1974-75 £	1973-74 £
Group turnover	28,250,000	22,648,000
Trading profit*	1,950,722	903,949
Net int. payable	1,004,374	572,927
Profit before tax	946,348	230,921
Taxation	201,652	†276,967
Net profit	744,696	507,888
Minority	39,235	51,918
Attributable	705,461	455,970
Proposed dividend	25,757	249,900
Retained	679,704	207,070

* Following a change in accounting policy relative to depreciation of freeholds, *comparative amounts for 1973-74* revised, reducing trading profit by £69,752 to amount shown. † Credit.

See Lex
See also Page 1

WESTLAND

Westland Aircraft has now sent shareholders details of its rights issue to raise £4.4m. It is not clear from the document whether John Brown and Company, which owns 21.4 per cent. of the Westland equity, will be taking up its rights.

REDLAND

In connection with the Redland rights issue acceptances have been received in respect of 9,735,914 shares (83.38 per cent.). The balance has been sold for the benefit of entitled holders.

Braby Leslie starts well

THE CURRENT year has started well at Braby Leslie and results for the first quarter are better than for the corresponding period last year, Mr. John Hine, chairman, says in his annual statement.

The directors will be *disappointed if the first half* profit does not grow at least in line with the current rate of inflation, he tells members.

To comment on prospects beyond that is very difficult in view of the uncertain business and economic climate, but the Board is confident in the group's future development. "There is much still to be done in terms of the profitability of our existing businesses and it is hoped that our efforts will soon be rewarded."

As reported on July 10, taxable profits improved from £0.85m. to a record £1.08m. in the year to March 31, 1975. Earnings rose from 12.3p to 15.6p per 10p share and the dividend is the maximum permitted 2.8284p (2.619p) net. On a current purchasing power basis, profits are shown at £1.1m. (£1.08m.) and earnings at 16.5p (15.9p).

Net tangible assets have grown by more than 50 per cent. from 31.8p to 48.5p per share—the surplus of £178,000 arising on a revaluation of group properties at March 31 has not been included. On a CPP basis assets are shown as 70.8p (54.5p) per share.

An analysis of pre-tax profits and turnover—£18.15m. against £14.86m.—shows (£000s omitted): *mechanical engineering* £12,886 (£9,282) and £972 (£823); and civil engineering £5,268 (£5,580) and £85 (£224).

Agreement in principle has been reached with the group's bankers for an increase in facilities including the provision of a medium term loan of £750,000. As announced, these facilities have allowed the formulation of proposals for the early repayment of £744,000 outstanding 7 per cent. Unsecured Loan Stock due for repayment on September 30, 1976.

The Board expects the ratio of shareholders' funds to borrowings to improve again this year.

ICFC holds 375,000 of the 9½ per cent. Convertible Preference shares and 64,000 Ordinary shares. Estate Duties Investment Trust holds 125,000 of the 9½ per cent. Convertible Preference.

Meeting Abercorn Rooms, E.C., on August 18, at noon.

Chairman's statement, Page 17

Vernon Fashion sales expand

At the annual meeting of Vernon Fashion Group yesterday, the chairman, Mr. Sidney Marks, said currently sales were continuing at an "excellent" rate and were 65 per cent. higher than the corresponding period last year.

Should this trend continue the full year's results should show a further marked improvement, he added.

Meeting, Page 17

Williamson Tea upsurge

Turnover for 1974 of Williamson Tea Holdings expanded from £6.91m. to £8.7m., and profits jumped from £1,016,318 to £1,566,214 subject to tax up from £593,163 to £847,551.

Stated earnings advanced from 16.62p to 24.07p per £1 share and the dividend is lifted from 4.221p to 4.5045p net.

Stonehill Holdings

Turnover and intake of orders at Stonehill Holdings remain "very satisfactory," it was reported to the annual meeting.

Future dividend policy will be to increase the interim in order to reduce the disparity with the final.

Automatic Oil

Chairman, Mr. R. Northedge, reports that for the half year ended December 31, 1974, the Automatic Oil Tools Group made a profit of £64,000 (£84,000) on a turnover of £832,000 (£682,000). Although turnover has increased by some 20 per cent. it does not directly reflect the increased activity, due to the fact that the group is now engaged in several contracts which will not be completed until 1975-76, he points out.

In future, profits on such contracts will be brought into account as each stage proceeds. A small percentage has already been brought in, and expenses of successful quotations will be written off over the life of the contracts.

Prospects for the next six months are "most encouraging." We have an order book of more than £4m., most of which has been taken in U.S. dollars and there is every indication that we will maintain the growth and development of our business."

	Six mths. 1974 £000	1973 £000	Year 1973-74 £000
Turnover	8[illegible]	6[illegible]2	*1,471
Profit	64	84	25
Taxation	32	42	9
Net profit	32	42	16

* Excludes trading in crude oil.

Results due next week

Next week's company news list is relatively short but contains several market leaders including Barclays Bank, British American Tobacco and Reed International. Among others producing figures are Fitch Lovell and British Sugar.

Barclays Bank's pre-tax profits fell by only 9 per cent. to £158.1m. in 1974, after modest additional provisions. Against a background of sluggish bank advances, staff salary increases and falling base rates, bank profits are under pressure, as this week's results from NatWest, Lloyds and Midland have shown. Estimates for Barclays range from £75m.-£115m. (£81.3m.), but the results on Thursday will in any case compare with a relatively depressed interim report last year.

Forecasts on the likely outcome of British American Tobacco's interim profits next Tuesday range from £10m. below the comparable profit of £124m. to £10m. above it. The trading background is that the tobacco division should support lower profits from the rest of the group. Retailing is likely to be disappointing, particularly in the U.S., while paper is also in decline. But the tobacco results should be influenced by a strong performance in the U.S. (although Germany is depressed) and this division could maintain overall profits, as well as benefiting from currency gains.

Reed International's 1974-75 figures in May appeared to confirm market expectations that the current year would see a substantial reduction in profits. The annual pre-tax level was up from £65.5m. to £85.4m., but there was a drop in final quarter pre-interest profits from £9.4m. to £3.7m. The group should benefit from any improvement in worldwide economic conditions but the first quarter results on Thursday will almost certainly be well down on the £22.3m. pre-tax reported a year ago. Although there could be some easing in the downtrend later in the year, the annual outcome is not expected to top £65m. pre-tax.

Although Fitch Lovell's interim profits in January were down from £3.1m. to £1.2m. pre-tax, there were indications of an improving trading background. The poultry division, which lost £935,000 (before interest and depreciation) in the first six months, now seems to be on the mend, as does the grocery division which was also losing money. Thus if the dairy side has been able to maintain its interim progress, a substantial recovery in the second half may have brought the group's full year total to around £4m. pre-tax. The final is due on Thursday.

On Thursday, British Sugar will be making its interim statement and forecast for full year profits. Undoubtedly, 1974-75 will have been a disappointing year for the group. The home beet crop fell from 948,000 tons of 560,000 tons resulting in a proportional lower level of activity by BSC. Margins have moved up significantly as the minimum beet price and intervention price for sugar were permitted to move on to full EEC levels from January 1, 1975. Although profits for this year are hard to forecast, a pre-tax figure around £5m. (£14.3m.) is a fair estimate, with next year set for recovery with a forecast crop of over 850,000 tons.

Other results featured next week include interims from Hall-Thermotank and Leslie and Godwin on Monday. Half-year figures are due from Clayton Dewandre and Glenlivet Distillers on Tuesday, while Prestige Group will be revealing its six-month results on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
AAH	Monday	3.675	4.081	3.937
Amalgamated Distilled Products	Monday	0.35	0.943	0.35
Anston Holdings	Monday	0.573	1.172	0.5
Peter Black Holdings	Thursday	1.4	2.997	1.4
Blakey's (Malleable Castings)	Tuesday	—	1.508	—
Frederick Cooper (Holdings)	Thursday	0.402	0.63	0.41
Daejan Holdings	Thursday	1.225	1.943	1.175
Dover Engineering Group	Monday	0.7	Nil	Nil
J. and J. Dyson	Friday	1.256	1.675	1.256
Econa	Thursday	0.525	1.065	0.6
Edbro (Holdings)	Wednesday	1.375	3.019	1.3
Fairey	Monday	0.91	1.456	1
Fitch Lovell	Thursday	1.12	1.755	1.072
Formminster	Thursday	1.173	1.993	1.365
J. Jarvis and Sons	Thursday	2	2.777	2.2
Macarthys Pharmaceuticals	Tuesday	0.63	2.1	1.85
Midland Trust	Friday	1	1.3	1.07
Mining Supplies	Friday	—	0.7	—
Monitor Holdings	Thursday	0.35	Nil	0.35
Norton and Wright Group	Wednesday	1	2	1
Alfred Preedy and Sons	Monday	0.551	1.109	0.625
William Ransom and Son	Thursday	0.456	1.705	0.504
RFD Group	Wednesday	—	0.1	0.2
H. and S. Rivlin Holdings	Monday	1.12	1.986	1.206
Routledge and Kegan Paul	Thursday	1.65	2.161	1
[illegible] Holdings	Wednesday	—	2.383	—
[illegible] Jersey	Friday	Nil	Nil	Nil
[illegible]	Friday	0.875	1.55	1.05
[illegible] Fittings	Wednesday	1.4	2.52	1.5
INTERIM DIVIDENDS				
Alvion	Wednesday	0.905	1.26	

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Allied Manufacturing and Trading	Monday	7.5	6.5	
Artagen Properties	Tuesday	0.699	0.7[illegible]	
Bank Leumi (U.K.)	Thursday	2.5	4.372	
Barclays Bank	Thursday	4.02	4.275	
Bath and Portland Group	Wednesday	1	1.47	
Blackman and Conrad	Tuesday	0.356	0.864	
British-American Tobacco	Tuesday	6.51	9.915	
British Sugar Corporation	Thursday	5.957	7.097	
City Offices	Tuesday	0.4	0.72	
Clayton Dewandre Holdings	Tuesday	1.6	3.492	
Glenlivet Distillers	Tuesday	2.759	2.649	
Hall-Thermotank	Monday	0.919	1.715	
Lamson Industries	Thursday	1.15	1.36	
Leda Investment Trust	Wednesday	0.54	1.272	
Leslie and Godwin (Holdings)	Monday	1.166	2.227	
Plastic Constructions	Wednesday	0.739	1.035	
Prestige Group	Thursday	1.4	2.562	
Pride and Clarke	Monday	2.5	3.125	
St. Andrew Trust	Friday	1.25	2	
R. Smallshaw (Knitwear)	Monday	0.754	1.054	
Vereeniging Refractories	Thursday	9	17	
Weber Holdings	Thursday	1.75	3.55	
INTERIM FIGURES ONLY				
Crescent Japan Investment Trust	Tuesday			
De La Rue	Wednesday			
Reed International	Thursday			
Charles Roberts	Monday			

* Dividends shown net per share, adjusted for any intervening scrip issue. † Includes second interim 1.22p. ‡ Cents. § Includes second interim [illegible]. ¶ Second interim due. First of 3p already paid. (a) First quarter.

James Scott Eng. progress

FROM SALES £2.4m. ahead at £31.2m., profits of James Scott Engineering Group rose from £820,603 to £932,064 in the year ended January 31, 1975.

Results include the Israeli subsidiary Asher Feuchtwanger, which has since been sold. The improvement in U.K. earnings shown for the first half has continued.

Mr. R. E. Lochhead says now the sale has been effected the group is concentrated in the U.K. with certain subsidiaries carrying out contracts overseas; the proceeds of some £670,000 will reduce group borrowings; and the adverse balance in distributable reserves (already almost eliminated) should further improve.

It is not yet possible to declare any dividends but every effort is being made to enable the company to begin to meet its obligations to Preference shareholders—the last payment they received was on January 31, 1973.

On prospects, Mr. Lochhead says the immediate outlook in several sectors of the construction industry is not reassuring because of the continuing cut-back in public expenditure: but the group has a number of large contracts and orders both at home and overseas which will be operational well into 1976 and in a number of cases beyond.

Activity continues in the North Sea oilfields and related businesses; overseas, work is being pursued in areas of rapid development where there appears to be political stability. The group has a diversity of activities in the electro-mechanical field both at home and overseas, and should derive strength from this and from its flexible organisation to face the problems ahead.

Earnings for 1974-75 are shown at 6.9p (6.4p), based on a profit of £294,117 after allowing for tax, minorities and notional Preference dividends but before extraordinary items.

	1974-75 £	1973-74 £
Turnover	31,200,000	28,800,000
U.K. company's	28,000,000	25,900,000
Israeli sub.	3,200,000	2,900,000
Depreciation	462,130	250,722
Interest paid	430,509	402,406
Realisation gain	*92,918	—
Profit before tax	932,064	820,603
U.K.	341,049	131,322
Israeli	591,015	689,281
Taxation	466,593	315,657
U.K.	69,726	45,695
Overseas	35,000	†—
Israel	‡361,867	269,962
Net profit	465,471	504,946
U.K.	176,537	85,627
Israeli	288,934	419,319
Minorities	146,025	205,467
Extraord. debits	§104,437	31,712
Capital res. credit	29,559	161,445
Forward	76,634	167,931

*Of government bonds by Israeli subsidiary. † Fully offset by DTR. ‡ On trading £302,081 (£245,821), on remittances to U.K. £59,786 (£24,141). § Israeli subsidiary devaluation adjustments £116,166, on reserves, on loan to parent £7,775 (off share and loan investments in France £594,000 and other items £26,907); less release from provisions against loan repayment exchange losses £34,663, against terminal trading losses £15,000 (surplus on property revaluation £633,078, gain on property sales £188,116).

Peldayne back in profit

AFTER A first half loss of £9,000 against profits of £87,000 Peldayne (Holdings) finished the year to March 31, 1975 with a surplus of £20,000 compared with a deficit of £639,000 for the previous 15 months, after interest charges down from £448,000 to £220,000. There is again no tax charge.

Earnings are shown at 0.2p per 10p share (loss 18.2p) and the dividend is 0.138p net (0.276p for 15 months).

Extraordinary debits of £574,000 (credits £477,000) have been dealt with from reserves—they represent capital losses incurred in the sale of fixed assets and provisions made by the directors against assets still held.

The directors say that results to date for the current year show a small improvement over the rate achieved in the second half of 1974-75.

While they are optimistic about the continuing improvement they feel that a profit forecast should not be made, members are told.

FIH first quarter

FIRST-QUARTER sales of Ferguson Industrial Holdings were £4.76m. compared with £4.17m., on which unaudited management accounts show a pre-tax profit of £150,000, against £225,000. The profit figures excludes contributions from an associate of £18,000 (£9,000).

Mr. Denis Vernon, chairman, says controls on levels of stocks and debtors continue to be tight, and overhead expenditure in relation to sales should be lower during the current quarter as a result of some natural wastage of staff and redundancies, resulting in a reduction of approximately 4 per cent. in the total number of staff employed in the present group.

He adds that the current and subsequent quarters' results will benefit from an increasing share of the profits of Wright-Scriven, of which F.I.H. owns 68.5 per cent. of the equity. An offer in respect of the remaining shares will be of made to W.-S. shareholders in the "very near future." W.-S. recently reported a record pre-tax profit of £325,957 for the year ended March 31, 1975.

New chairman for Haw Par

Haw Par Brothers International said yesterday it had appointed Mr. R. K. Booker as a director, and had invited him to act as chairman in place of Mr. James Gammell.

Mr. Brooker, a solicitor, is a partner in the firm of Allen and Gledhill, who act for Haw Par in Singapore.

In a letter to the Singapore Stock Exchange Haw Par said it had received a telex from Mr. Gammell in which he resigned as a director and as the company's chairman.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Johnson and Firth Brown, the Sheffield-based special steels concern, has finally won over the Board of wire manufacturers **N. Greening** by raising its offer for the latter for the second time. After expressing strong opposition to J and FB's first two bids, the Greening directors are unanimously recommending the latest bid package, which comprises 313 £1 shares of a new J and FB Cumulative Convertible Preference stock plus £20 in cash for every 1,000 Ordinary shares of Greening. Assuming par value for the Preference, each Greening share is valued at 33.3p and the entire equity at £7.7m., against £5.4m. under the previous revised share exchange offer. EEC Commission approval for the take-over has already been granted.

Following the previous week's revelation that bid talks were in progress with an unnamed party, NET (formerly known as North Eastern Timber) announced on Tuesday that it had agreed to recommend a shares and cash offer from international timber group **William Mallinson and Denny Mott**. The terms currently capitalise NET at some £2.3m. Undertakings to accept have already been given in respect of almost 46 per cent. of the NET equity held by the company's directors and their families, an executive of the NET group, and the company's financial advisers Brown Shipley.

A speculative rise from 90p to 110p in the shares of **Bensons International Systems** prompted the company, which manufactures and sells loose-leaf stationery fittings, to declare on Monday that it was engaged in discussions that were likely to lead to a 190p cash a share bid from **Esselte AB**, a large Swedish group with diverse interests in stationery, packaging, printing and publishing. A joint announcement from the two concerns followed on Thursday that agreement had now been reached on terms as foreshadowed above, which value the whole issued Ordinary capital of Bensons at £4m. The bid, which requires Exchange Control consent, already has irrevocable acceptances in respect of some 53 per cent. of Bensons' equity. Finishing the week at 180p, Bensons share price can be measured against a 1975 "low" of 55p and an all-time previous peak of 162½p since coming to the stock market at 95p in 1969.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated						
Bens'ns Int. Sysms.	190*	180g	110	4.0*	Esselte (A. B.)	—
Central Prov. Manganese Ore	12½*	10	6	0.5*	Ests. & Agency	—
Clifton Invs.	4½*d	5½	4½	0.15*d	Aries Hldgs.	—
Cons. Commercial	16	19	34	0.7	Rubislaw Invest. Tst.	—
Court Hotels	50*	32‡	32	1.3*	BSQ Secs.	—
Doncaster (D.)	101*	100	45	10.9*	Intl. Nickel	25/7
Dowgate & General	6*	4½	4	0.9*	Midhurst White	—
Evered	21	15	16	1.2	Chas. Clifford	—
Glouc. & Chelt. Greyhounds	50*d	48	40	0.2*d	Suregain Secs.	—
Great Boulder	77d	72	70	47.1d	Western Mng.	—
Greening (N.)	33.3	31	16½	7.7	Johnsn. & Firth Brown	—
Gunn (A.)	66	56	59	3.5	Hewden-Stuart	—
Hanover Grand	5*d	6½	8	0.1*d	Mr. J. Grant	—
"Lags"	39½d	37	31	10.1d	Lonrho	—
Leadenhall-String. Invests.	55*d	53	31	0.6*d	Brit. & Cmmwlth. Shipping	—
Lovell (G. F.)	11*d	25	9	0.03*d	Hills London Shops	—
Mason & Burns	19*d	18	12	0.07*d	Allied Insulators	—
Mercantile Credit	29bd	28½	27	18.9bd	Barclays Bank	—
NET	58½	54	26	2.3	Wm. Mallinson	—
Pentland Industs.	4½*d	5½	6½	0.6*d	Robt. Stephen	—
Scotia Invs.	17*d	14½	20	0.6*d	Alco Metrop. Properties	—
Seaham Harbour	£26*	£5‡	£5‡	0.6*	Tinline Ests.	—
Sheffield Twist	95*	94	78	12.8*	SKF	—
Vantona	46	44	44	4.8	Spirella	—
Wright-Scriven	13*d	13	13	0.5*d	Ferguson Indl.	—
Yatton Furniture	6¾bd	6½	6	0.9bd	Stag Furniture	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 25/7/75. k Based on 24/7/75. n Notional value. ‡ At suspension. † Bid.

Offers for sale, placings and introductions

Brazilian Investments SA: A listing and placing for up to 140,000 depositary shares at $U.S.106 per depositary.

Estate House Investment: Introduction of share and loan capital formerly "Lawson Group."

Rights Issues

British Car Auction: 1-for-1 at par.

Howard Machinery: 7-for-10 at 25p (par).

Land Securities: £21m. of 10 per cent. convertible loan stock at £9 of stock per 100 shares.

McCorquodale: 2-for-7 at 128p per share.

Westland Aircraft: 3-for-10 at 33p per share.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Astra Securities	Apr. 30	549	(379)	3.9	(2.8)	0.66	(0.57)
Birmingham Mint	Mar. 31	122L	(654)	—	(17.1)	3.57	(3.57)
Burt Boulton	Mar. 31	313	(1,954)	14.8	(53.8)	9.86	(9.30)
Calednn. Cinemas	Mar. 29	290	(121)	34.3	(10.3)	‡4.13	(3.75)
Christie-Tyler	Apr. 30	1,872	(1,627)	13.5	(12.2)	5.30	(5.00)
Coated Metals	May 3	45	(517)	1.9	(20.8)	3.02	(7.55)
Cohen & Wilks	Dec. 31	504L	(23)	—	(1.4)	—	(—)
Courts (Furnshrs.)	Mar. 31	3,485	(3,263)	11.1	(10.8)	2.59	(2.43)
Customagic	Apr. 30	306	(63)	2.3	(0.4)	0.70	(0.35)
Dowty Group	Mar. 31	9,456	(8,912)	13.2	(12.9)	5.03	(4.72)
Gordon & Gotch	Mar. 31	852	(369)	7.9	(3.7)	2.00	(1.88)
Graig Shipping	Mar. 31	1,050	(1,600)	135.0	(94.5)	13.97	(13.17)
Hammond Hldgs.	Mar. 31	400	(441)	6.1	(6.3)	‡3.75	(3.13)
Philip Harris	Mar. 31	480	(475)	6.4	(6.6)	3.20	(3.10)
Illingworth Morris	Mar. 31	1,630	(4,910)	3.0	(6.5)	1.36	(1.36)
Inchcape	Mar. 31	28,096	(30,103)	32.9	(41.7)	6.93	(6.51)
Johnson Cnstrctn.	Mar. 31	176	(124)	4.6	(3.1)	1.59	(1.49)
Jones Stroud	Mar. 31	2,072	(1,824)	13.9	(12.7)	3.53	(3.41)
Kwikform	Apr. 26	1,092	(1,078)	10.9	(11.0)	4.08	(4.08)
Linfood Holding	Apr. 26	2,273	(—)	17.8	(—)	6.00	(—)
Maple Macowards	Feb. 1	1,703L	(668)	—	(0.6)	—	(2.17)
Marryat Group	Mar. 31	644	(1,059)	4.9	(7.0)	1.38	(1.18)
MTE	May 31	904	(624)	4.1	(2.8)	1.66	(1.57)
Neepsend	Mar. 31	1,885	(944)	5.7	(3.4)	2.93	(2.93)
Phillips Patents	Mar. 1	159L	(131)	—	(2.3)	1.00	(1.00)
Rosgill Holdings	May 31	794	(857)	3.9	(4.2)	2.31	(2.31)
Unigate	Mar. 29	17,775	(15,230)	5.1	(4.9)	2.55	(2.42)
Ward & Goldstone	Mar. 31	2,369	(2,945)	11.1	(11.7)	4.46	(4.19)
Western Brd. Mills	Mar. 31	458	(524)	4.3	(3.0)	2.76	(2.60)
Young Austen	Apr. 30	322	(309)	10.6	(5.5)	5.63	(5.28)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Berisfords	May 17	272	(305)	0.60	(0.60)
Braid Group	Mar. 31	360	(206)	0.36	(0.34)
Bullough	Apr. 30	616	(420)	1.69	(1.40)
Dinkie Heel	June 30	98	(72)	0.30	(0.29)
Gestetner	May 3	8,398	(8,866)	1.57	(1.44)
Gillett Bros.	July 31	—	(—)	4.88	(1.08)
Heavitree	Apr. 30	119	(116)	2.28	(2.35)
Inveresk Group	June 14	1,276	(2,566)	1.25	(1.25)
Robert H. Lowe	May 2	170	(136)	0.88	(0.88)
MK Refrigeration	May 3	436	(683)	1.16	(1.16)
Nat. Westminster	June 30	5,330	(86,149)	4.27	(4.00)
Rank Organisation	May 10	29,194	(31,072)	2.19	(2.19)
Taylor Woodrow	June 30	4,697	(3,567)	1.31	(1.31)
Utd. Guarantee	Mar. 31	35L	(41)	—	(—)

(Figures in parentheses are for corresponding period.)
* Adjusted for any intervening scrip issue. † Net. ‡ Gross. L Loss.

BIDS AND DEALS

Agreed Sketchley bid for Quality Cleaners

AS PART of a plan to expand its geographical coverage, dry cleaners Sketchley is making an agreed 72p a share cash bid for Quality Cleaners, which provides dry cleaning and ancillary services in the West Midlands and South Wales.

The offer values the issued share capital of Quality at £729,900—its net assets on September 28, 1974 were £570,000.

The offer is conditional upon Sketchley acquiring 50 per cent. of the Ordinary capital and upon Sketchley being informed that the bid will not be referred to the Monopolies Commission.

Shareholders of Quality (including all directors) holding 24 per cent. of the Ordinary capital, have given irrevocable undertakings to accept the bid, and another shareholder who is abroad and holds 4.3 per cent. of the equity, has indicated his intention to accept.

Sketchley says that it has plans to expand the business of Quality, especially in the industrial workwear division based on its factory in Worcester.

It adds that while there may be some rationalisation in the retail cleaning division, where some duplication of shop premises occurs, Sketchley is confident that the prospects for the majority of Quality's employees will be enhanced as a result of its becoming part of the Sketchley group.

Cavenham group French sale

CAVENHAM reports that its French subsidiary, Generale Alimentaire SA has entered into a preliminary agreement for the sale of the Gremy-Longuet pharmaceutical activities to the Smithkline Corporation of the U.S. The proposed transaction is subject to approval of the appropriate French and U.K. authorities.

Gremy-Longuet manufactures ethical pharmaceuticals and dietary food products, distributed throughout France. Its association with Smithkline is expected to give increased opportunities for industrial expansion through access to wider research and development resources.

Generale Alimentaire plans to use the funds released for reinvestment in its mainstream food operations.

CHARRINGTON GARDNER DEAL

Charrington, Gardner, Locket announces that the Transport and Warehousing division has acquired from Roadships the assets and certain transport depots of Export and General Transport Services and W. Reeves and Son (Transport).

Agreements have been exchanged for Southern Ships Stores to acquire from Fruit and Produce Exchange Group the business carried on by Oakley and Watling in London, Southampton, Liverpool and Glasgow.

HILLS—LOVELL

The formal offer by Hills London Shops for G. F. Lovell has been posted. The chairman of Lovell points out that the market price of Lovell shares is above the offer price of 11p per share. Directors, who are beneficially interested in 34,075 shares, do not intend to accept and they do not advise other holders to accept.

Hills, which recently bought 74.9 per cent. of Lovell, will endeavour to maintain the listing of its shares.

MAURICE JAMES

Mr. L. M. James, chairman of Maurice James Holdings, has written to holders about the proposed acquisition of Joshua Bigwood from Sleaton, a subsidiary of Greenwood and Batley, referring to the extraordinary meeting called for July 31 to approve the purchase.

He recalls that the earlier circular, dated July 14, contained a statement that Greenwood was the beneficial owner of 1,596,137 shares in James (28 per cent.).

The circular further stated that Mr. M. A. C. Buckley, a director of James, of Greenwood and of Bigwood, was the beneficial owner of 27,068 James shares.

Mr. James adds that the circular omitted to state that Greenwood and Mr. Buckley would abstain from voting at the extraordinary meeting. The present letter, he said, was to tell shareholders that neither Greenwood nor Mr. Buckley would vote in respect of their present shareholdings at the meeting.

British Tar acquisition

British Tar Products is to acquire Britpack, a private company with a business in contract packaging, for £825,000, to be satisfied by 1,150,000 Ordinary shares and £556,875 cash.

Arrangements have been made on the vendors' behalf to place 1m. shares.

Britpack's pre-tax profit for the year to June 27 was £169,000 and the book value of its net tangible assets at that date £134,000.

Grovewood stake in Dreamland

Dreamland Electrical Appliances has been informed by Grovewood Securities that, as a result of recent purchases, Grovewood now has an interest in 1,136,000 Ordinary shares of the company—21.2 per cent. of the issued capital.

Grovewood says the shares are to be held as an investment and it is not its intention at present to make any significant increase in the holding.

NO PROBE

The Prices Secretary, Mrs. Shirley Williams, has decided not to refer the proposed merger of Odhams (Watford) and Sun Printers to the Monoplies and Mergers Commission.

MASON & BURNS

The Allied Insulators offer for the share capital of Mason and Burns not already owned has been declared unconditional. Acceptances have been received in respect of 308,296 Ordinary shares (approximately 87.8 per cent. of the share for which the offer was made). Before the offer period AI held 149,000 shares; it now holds a total of 457,296 ordinary (approximately 91.4 per cent.)

AMC—CTS

The scheme of arrangement to effect the merger of **Amalgamated Metal Corporation** and **Consolidated Tin Smelters**, has now been sanctioned by the High Court and has become effective. Dealings in the new Ordinary and Preference shares of AMC to be issued will commence on Monday, July 28. Pending issue of certificates, transfers will be certified against the AMC register of members.

SLOUGH ESTATES

Under the agreement entered into as a result of the offer by Slough Estates for Yorkshire and Pacific Securities in March 1969, a further 58,711 Slough Ordinary shares have been issued in exchange for 10,000 shares of no par value in Slough Estates Canada.

£1.17m. loss at Adda: no dividend

AFTER HIGHER interest of £0.87m. against £0.57m. and a £0.9m. provision for diminution in value of development properties, **Adda International** incurred a pretax loss of £1.17m. for 1974 compared with a previous profit of £698,001.

Loss per 10p share is shown at 6.98p (earnings 3.02p) and there is no dividend. Last year's total was 0.7215p net.

The directors state that the loss provided for against development properties in Central London has subsequently been realised and the group has now sold all its U.K. development properties. An exceptional loss of £114,816 was incurred as a result of an associate travel group, in which the group had a minority interest, being placed in receivership.

Although hotel sales increased from £3m. to £3.6m., group turnover was lower at £4.89m. (£6m.) principally due to the disposal of various manufacturing businesses in the north of England. Excluding turnover of the manufacturing companies sold in 1974 turnover increased by £523,922.

	1974 £	1973 £
Turnover	4,797,613	6,007,112
Trading profit	612,684	1,294,512
Property provisions	903,763	—
Interest	867,524	574,205
Loan stock interest	11,045	12,306
Loss before tax	1,169,653	*698,001
Taxation credit	19,506	†202,127
Net loss	1,150,144	*495,874
Exceptional debits	84,816	—
Extraordinary credits	151,895	—
Minority	4,792	13,683
Attributable loss	1,087,857	*482,191
Dividends	—	63,624

* Profit. † Charge.

Pegler

At the annual meeting of Pegler Hattersley, chairman Mr. J. M. Harrison reported that "the first quarter of the new year had opened satisfactorily both as to turnover and profit compared to the comparative quarter of the last financial year, but we have some way to go before we come to our year end."

"We support what the Government is trying to do in its anti-inflation plans," Mr. Harrison said.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
‡	F.P.	—	172	155	Alroyd & Smithers	155		¤12.5	1.7	12.1	7.6
48	F.P.	11/7	56	52	Clive Discount 20p	51	+1	3.0	—	9.0	—
::	F.P.	—	195	185	Estates House	191		T4.97	1.2	3.9	33.4
55	F.P.	21/8	65	55	Lawrence (Walter)	55		64.5	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
::	F.P.	21/8	93	£93¾	Adwest Grp. 10½% Cnv. 95/2000	90	.....
$100	F.P.	—	101	£99½	Barclays Bank Int 9½% Capital Notes 1922	100½	.....
£100	£10	7/11	11¼	10¼	Barnet Corp. 13½% 1980	10¼	.....
£100	£10	7/11	12¼	10¼	Do. Do. 14½ '84/5	10¼	−¼
£100	F.P.	—	100	99¾	CSR 9½% Notes 1980	99¾	.....
**£99	£10	12/9	10½	9½	Camb. Water 9½ Red. Pref. 1980	10	.....
£97½	£50	12/9	50⅝	49⅝	City of Westminster 13% Red. St. 1981	50	.....
£98½	£10	5/12	11⅛	10¼	Derby C. C. 13½% Stk. 1982	10¼	.....
£99	£10	29/8	11¼	10¼	East Surrey Water 9% Red. Pref. 1980	10¼	.....
£100	Nil	—	4	Nil	English Properties 12% Conv.Ln. 2000/5	¼pm	+¼
£100	F.P.	—	106½	102½	EnniaFinance C.K.9%ConvGtdUnsLn85-90	104	.....
£99	F.P.	31/7	112	100⅝	Folkstone Dist. Water 9% Red. Prf. 1980	100½	.....
£100	£50	23/10	54¼	52	Hoechst 10% Guar. Ln. 1990	52	.....
£100	F.P.	21/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	97	−2
£99	£10	—	10¼	10	Newcastle & Gate 9% Red. Prf. 1980	10	.....
£99	F.P.	31/7	112¼	100⅛	N. Surrey Water 9% Red. Prf. 1980	100½	.....
£100	F.P.	—	105	100	Prop. Hldgs. & Inv. 9% Conv. '90/5	100	.....
£99	£10	29/8	10¾	10¼	Sunderland Water 9% Red. Pref. 1980	10¼	−¼
::	F.P.	—	90	77½	Turner Curzon 16% Conv. Uns. '78-80	90	.....
::	F.P.	29/8	101¾	93¼	Whitbread 11% Conv. 1995	98¾	+½

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		Stock	Closing Price p	+ or −
181½	Nil	—	—	Adams Foods	¼pm	.....
110	F.P.	28/7	25/8	Anderson Strathclyde	105	−5
43	F.P.	20/6	8/8	Associated Engineering	48½	+½
25	F.P.	7/7	21/8	Barrow Hepburn	34	.....
85p	F.P.	2/7	1/8	Bell (A.)	96	.....
46	F.P.	7/7	10/9	Boe Intl	43	+½
115	F.P.	21/7	1/9	Bowater	129	+1
50p	F.P.	25/7	5/9	Brit. Steam Specialties	49	−½
40	F.P.	3/7	8/8	Carless Capel	66	−1
30	F.P.	21/7	29/8	Century Oils	34	+½
A$1.50	F.P.	2/7	7/8	Commercial Bank of Australia	210	.....
45	Nil	6/8	4/9	Comp Air	41½pm	+½
72	Nil	30/7	29/8	Dundee-Combex-Marx	25pm	−1
65	F.P.	4/7	21/8	Ever Ready	79	−1
10p	Nil	4/8	5/9	Feedex	7pm	.....
38	F.P.	11/7	1/8	GEI Int	39	.....
200	F.P.	4/7	7/8	Glaxo	340	+5
25p	nil	—	—	Hanson Tst.	55pm	.....
25	F.P.	21/7	11/8	Hazlewoods (Proprietary)	25	.....
10p	Nil	29/7	5/9	Headlam Sims & Coggins	2pm	−½
20	F.P.	22/7	8/8	Kwahu	20	−2
103	Nil	30/7	15/8	Legal & General	3½pm	+1
50	F.P.	18/7	21/8	London United Invs	63	.....
25p	F.P.	25/7	20/8	Macfarlane Group	60	+1
210	Nil	1/8	29/8	Metal Box	6pm	+1
10p	F.P.	2/7	8/8	NSS Newsagents	48	.....
60	F.P.	9/7	8/8	Nurdin Peacock	77	+1
105p	F.P.	21/7	29/8	Pegler Hattersley	108	.....
180	F.P.	11/7	1/8	Phoenix Assurance	198	+2
SA1.50	Nil	—	—	Poseidon	50pm	.....
5p	F.P.	11/7	5/8	Premier Cons Oilfields	10½	.....
67	F.P.	24/7	19/8	Redland	68	+2
106	Nil	—	—	Renold	3pm	+1½
20	F.P.	4/7	8/8	Rest Harvesters	25	+1
10	F.P.	28/7	12/9	Senior Engineering	11¾	+½
27½	F.P.	10/7	21/8	Serck	31	+½
80p	F.P.	25/7	12/9	Siebe Gorman	110	.....
95p	F.P.	25/7	5/9	Smiths Industries	96	+1
170	Nil	8/8	3/10	Tate & Lyle	9pm	+2
65	F.P.	17/7	7/8	U.K. Optical	81	+1
50p	F.P.	21/7	15/8	Unicorn	50	+1
110	Nil	5/8	29/8	Wheatsheaf Dist.	7pm	−1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender ✣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ¶ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. : Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Down for eighth day running

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 25.

STOCKS FELL across a broad front to-day following the collapse of a first-hour technical rally. The setback extended the market's losing streak to eight consecutive sessions.

The Dow Jones Industrial Average dropped 6.18 to 834.09 and the NYSE All Common Index was 40 cents down at $47.87. Declines led gains to 907 to 435 while trading volume was 5.44m. down at 15.11m. shares.

Analysts said that when the initial flurry failed to attract much support, it appeared to bring in fresh selling by investors who were concerned about inflation, recent increases in bank prime interest rates, and New York city's financial dilemma.

Some analysts suggested that sentiment may also have been dampened by a report that Turkey will take over control of all U.S. bases but one to-morrow in retaliation for Congress refusal to resume arms shipments.

The American SE Market Value Index fell 0.43 to 91.14, while declines led advances 380 to 221. Turnover fell 560,000 to 1.93m. shares.

OTHER MARKETS

Canada lower

Stocks weakened to close mostly lower in light trading on Canadian stock exchanges yesterday.

The Industrial Share Index was off 0.09 at 189.97, Base Metals 0.42 at 78.69, Western Oils 0.38 at 189.79, Utilities 0.31 at 129.60 and Papers 0.22 at 113.85. But Golds rose 5.12 to 384.39 and Banks 2.81 to 274.29.

PARIS—Steady to mixed ahead of the Franco-German summit to co-ordinate reflation measures.

Banks, Portfolios, Foods, Constructions, Rubbers and Motors held their ground.

Breweries eased while Oils, Stores and Electricals were irregular. Chemicals held their ground.

American, German, Belgian, International Oils and Coppers were steady but Dutch were mixed. Golds were easier.

BRUSSELS—The market rose in quiet trading despite the weakness of Wall Street.

U.S. stocks were irregular, U.K. issues well maintained. Gold Mines rose following London, and Germans also closed higher.

GERMANY — Shares ruled firmer as bonds improved and some foreign investor interest returned.

Stores headed the market, while Engineerings, Motors, Banks, Steels Chemicals, Electricals and Utilities all firmed.

AMSTERDAM—Most sectors gained some ground, led by Royal Dutch and Akzo in Internationals.

OSLO—Banks were easier. Industrials and Shipping irregular and Insurance quiet.

VIENNA — The market fluctuated narrowly with an easier undertone. Industrial leaders drifted lower where changed.

COPENHAGEN—The market closed narrowly mixed in quiet trade. Banks and communications were unchanged and Industrials slightly easier.

SWITZERLAND—lacked a definite trend, but gains predominated. In generally steady Banks Bankgesellschaft firmed on its quarterly report which revealed a strong rise in total assets in the second quarter.

MILAN—The market closed irregularly higher in more active trading. Bonds were mainly lower.

HONG KONG—Closed steady in moderate trading with a wait-and-see sentiment predominating.

TOKYO—Turned higher with dealers welcoming the over-night upturn on Wall Street and the growing possibility of a third cut in bank rate next month.

Shipping Lines continued to advance, bolstered by news of more North American grain purchases.

JOHANNESBURG—Golds finished the week on a quiet but steady note.

AUSTRALIA—Ended the week on a mixed note in listless trading conditions. There was some late buying support for selected issues, but the undertone remained mainly bearish.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume 000's
July 25	63.51	161.22	834.09	80.11	15,110

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	†Composite
July 25	101.56	90.72
24	101.12	90.07
23	101.18	90.18
22	102.62	91.45
21	103.69	92.44
18	104.59	93.20
17	105.09	93.63
16	106.25	94.61

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	July 25	July 22	July 10
On Dividends	7.58	7.58	7.20
On Earnings	14.08	14.08	13.80

SYDNEY ALL ORD. INDEX

July 25	July 24	High 1975	Low 1975
363.00	363.28	388.15 (15/7)	283.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

HONG KONG INDEX

July 25	July 24	High 1975	Low 1975
319.64	319.10	341.57	160.42 (9/1)

SINGAPORE INDEX

EUROPE

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	J'ly 25	J'ly 24	J'ly 23	J'ly 22	July 21
96.80 (15/7)	62.20 (2/1)	91.14	91.57	92.41	95.85	95.34
Volume (000's)		1,930	2,490	2,550	2,500	2,690

TORONTO

MONTREAL

JOHANNESBURG

	July 25	July 24	1975 High	1975 Low
Industrials	230.6	231.7	238.9 (16/7)	183.2 (23/1)
Golds	299.0	296.2	379.1 (2/1)	265.2 (13/4)

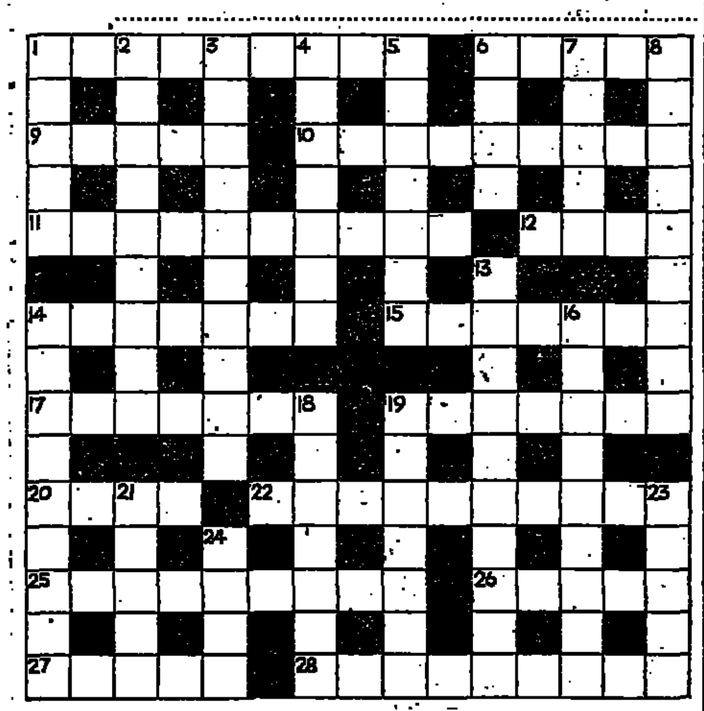
(1958=100. Source: Rand Daily Mail. * 1974.

F.T. CROSSWORD PUZZLE No. 2,839

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



ACROSS

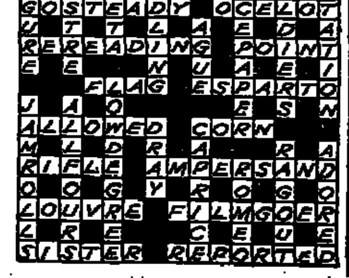
1 Boss reserves horsy records (4, 5)
6 Support the workers (5)
9 Salesman the Spanish throw back (5)
10 Pitch saint into waterproof cover (9)
11 Fruit drink mother's willing to offer attorney brought to book (5, 5)
12 Rule according to Socialist leader's method (4)
14 Crew member keeping the others out of range (3, 4)
15 No express train to Cork (7)
17 Wave to demolition worker (7)
19 Hide in south-eastern part of island (7)
20 Food obtainable on the nail (4)
22 Friend in Paris with talent and bonhomie (10)
25 Small number make invalid take apprenticeship (9)
26 Knock out article the French have to bear (5)
27 Book record list of runners (5)
28 Medical assistance needed by mate upset in river (9)

DOWN

1 Take off for journey from the south (5)
2 Capital action for the Lords (5, 4)
3 Can birds in the main use headgear? (10)
4 Two-way ticket to wildest Australia (7)
5 Grave a Pole with some hesitation notes (7)
6 Dramatist heard in the Strand (4)
7 Let a student make a beastly noise (5)
8 Prefer Liberal to be heart-whole (5, 4)
13 Unfair game outside Lords' control (3, 7)
14 Reality of position adopted towards membership due (9)
16 Assert what is said about subject (9)
18 Extortion by worker running wild (7)
19 Cleanse another form with every side different (7)
21 Want very much to take care of surgeon (5)
23 Agency assuring baker of a rise (5)
24 Way certainly to become a supporter (4)

SOLUTION TO PUZZLE No. 2,838

SOLUTION AND WINNERS OF PUZZLE No. 2,833



Following are the winners of last Saturday's prize puzzle:

Mrs. V. M. Giles, Flat 1, 4 The Beacon, Exmouth, Devon EX8 2AG.

Miss E. Hewson, 5 Hookstone Wood Road, Harrogate, HG2 8PN.

Mr. D. M. Smith, 30 Cavendish Gardens, Westcliff-on-Sea, Essex.

RACING BY DOMINIC WIGAN

It must be Grundy

GRUNDY, who has gone from strength to strength since losing his unbeaten record when floundering in the Greenham Stakes early this spring, can ensure that Peter Walwyn breaks Noel Murless' long-held prize money record for a season by landing to-day's De Beers' sponsored King George VI and Queen Elizabeth Diamond Stakes at Ascot.

Dr. Carlo Vittadini's handsome Great Nephew colt, who followed his disappointing Greenham run by finishing a highly creditable second to Bolkonski in the 24-runner 2,000 Guineas, has won his three subsequent races—the Irish 2,000 Guineas, the English Derby and the Irish Derby—with the minimum of fuss.

By far the most impressive display by Grundy came in the Irish Derby at the Curragh. Quickening far more readily than at Epsom, last season's leading two-year-old swept clear of his rivals at the distance to win as he pleased. His winning margin of two lengths over King Pellinore could have been doubled had Pat Eddery wished.

In what is certain to be a particularly fast-run race with Dick Hern saddling two pacemakers for Bustino, I expect to see Grundy's fine turn of finishing speed carry him to the front close home. With Dahlia probably still a few pounds behind her best and Dibidale only a shadow of her former self, Bustino may follow the Derby winner home.

Three-quarters of an hour before he bids to win the most valuable race of his career on Bustino, Joe Mercer renews his association with Ian Balding's speedy filly *Outer Circle* in the Princess Margaret Stakes.

At Newbury last month, Mercer kept this half-sister by My Swallow to Saulingo going strongly to hold off the odds-on Daisy Warwick in the Kingsclere Stakes and I shall be disappointed if they fail to follow up.

Blue Raffles, a stablemate to Daisy Warwick, gained a narrow Sandown success over Key of the Kingdom before running third to Gay Shadow on Newmarket's July course and she could provide the forecast.

Whatever their fate with Grundy, the Vittadini family should not leave Ascot empty-handed for the doctor's daughter Franca, who is attached to Henry Cecil's Newmarket stable, appears to have a fine chance of taking the other De Beers' sponsored prize, the Star of Sierra Leone Diamond Stakes, on *Hard Day*.

Franca Vittadini rode the Seven Barrows representative with complete confidence when landing a valuable ladies' event at Chester a fortnight ago and I expect the combination to follow up by accounting for Mr. David Robinson's Supreme Lad, the mount of the late Manny Mercer's daughter, Carolyn.

Apart from Ascot, there are good afternoon programmes at Ayr and Newcastle and an evening meeting at Warwick.

Peranka is suggested with more hope than confidence for the extremely open Canada Dry Shield on the Scottish course.

Court Chad is a more confident choice to complete a hat-trick in the Joe Coral Handicap 15 minutes later at Newcastle.

ASCOT
2.00—Hard Day***
2.35—Outer Circle*
3.20—Grundy
3.55—Royal Faire
4.25—Last Tango
5.00—Cadogan Lane
5.30—Gur Amir

AYR
1.30—Rock Signal
2.00—Mount Irvine
2.30—Peranka
3.00—Duke of Cawston
3.30—Button Boy
4.00—Willie Ormond
4.30—Asama

NEWCASTLE
1.45—Sindo
2.15—King's Equity
2.45—Court Chad**
3.15—Celtic Sea

WARWICK
6.30—High Drama
7.00—Farm Gazer

SPAIN

July 24 — Per cent.

Banca Lopez Quesada	732	—
Banco Bilbao	724	+ 5
Hidrola	157	+ 2
Iberduero	226	—
Motor Iberica	225	—
Olarra	629	—

OVERSEAS SHARE INFORMATION

NEW YORK · CANADA · GERMANY · MILAN · AUSTRALIA · TOKYO · BRUSSELS · PARIS · SWITZERLAND · AMSTERDAM · STOCKHOLM · JOHANNESBURG · OSLO · COPENHAGEN · VIENNA

The Arts

Alan Davie

BY WILLIAM PACKER

Alan Davie's work is likely to be familiar to anyone used to the round of modern British painting, and his niche within that pantheon by now should be secure; though it is premature, and perhaps unlucky, to say so. Certainly he has distinguished himself over a career of more than 30 years. But he is a figure difficult to place, who has always received rather less than his due.

He was, and is, an expressionist and a symbolist who, in the years after the last war, established himself as our first authentic abstract painter of that kind. It was a time when European experiment, in a curious case of parallel evolution, was matching American abstract expressionism, with neither side aware of the other's existence.

Davie was never closely identified with a particular group, standing rather to one side of the St. Ives set, of whom Peter Lanyon was his only peer. When at last European painting was swamped by that of New York, and reduced to provincial insignificance, such distinctions somehow ceased to matter. Lanyon, being dead, has since and quite rightly been rehabilitated, as is our way in these things. Idiosyncrasy, however, is no bad thing: it may make life difficult at the time, but fashions fade, and if the work is good enough, it will be judged fairly in the end.

Davie's latest paintings at Gimpel Fils are full of his particular imagery, stars and crescent moons, spirals and serpents, crosses, totems and cabbalistic insignia: all conjuring up an atmosphere not sinister exactly, but hardly re-assuring.

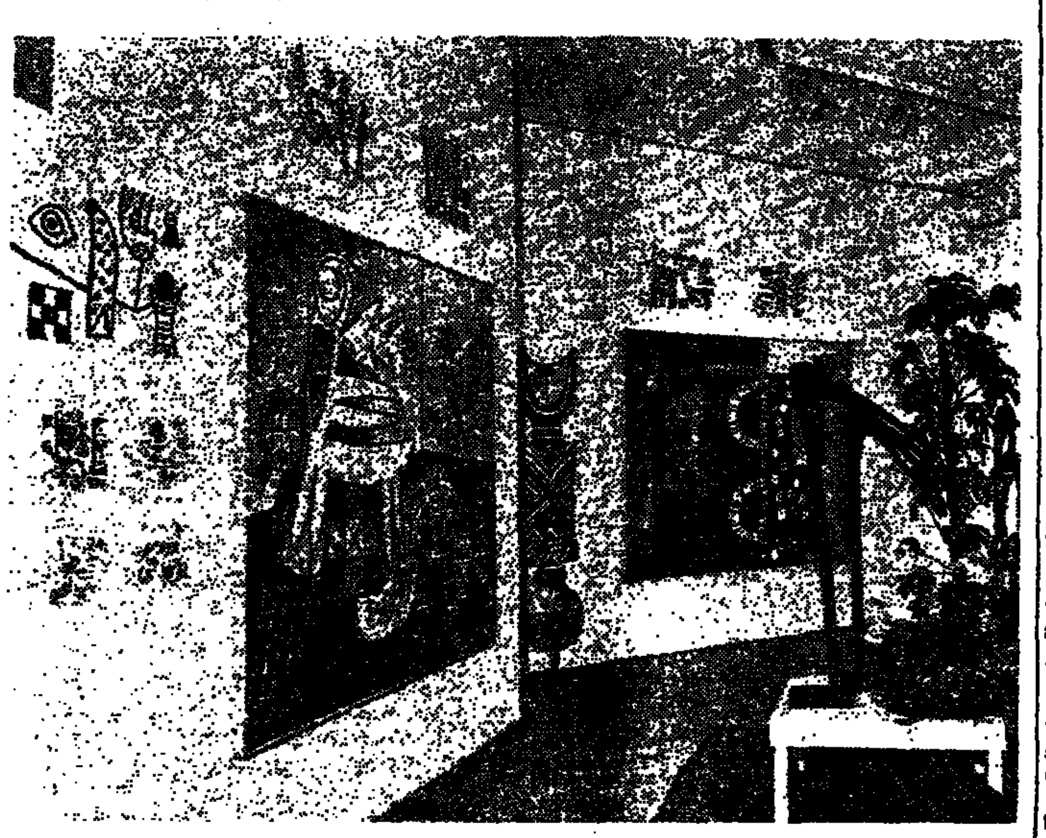
Brightly coloured, even jolly in a feverish way, they hover within a closed, simple, stage-like space. The mood of the work is that of the magician and priest, secretive, ritualistic and atavistic. The handling of the paint is loose, even casual, the images directly and crisply stated; but the pictorial space is more open than once it was, the surface less dense, and worked less frenetically.

There are no surprises, for as much has been true of Davie's work for at least six or seven years; but what is especially interesting, and makes this show so enjoyable, is that the work for once is set within the context of the artist's own working life. We all acquire things, and such deliberate or arbitrary collections reflect us in our temperaments or characters. Davie has accumulated many disparate objects over the years, primitive sculpture, African masks, carvings and religious totems, Javanese shadow puppets, Japanese paper fish, pottery, rugs: and it all makes sense.

We begin to see why his work is as it is, how all this visual impedimenta becomes absorbed into it, and reconstituted, an indirect but none the less vital and powerful ingredient in the final brew. His books of reference show the range of influence, from Egyptian carving to jazz, a cross-cultural melange that is intriguing and stimulating. And, the interest being declared, the paintings become part of this greater, integrated whole.

The gallery itself has never looked better, full of plants, with drawings pinned to the wall, rugs on the floor, and all these extraordinary objects around that are works of art in their own right. And the paintings are strong enough to hold their own, authoritative and convincing.

Such a project might seem a trifle arch and pretentious, and indeed could easily descend to the level of window-dressing, asking us to make allowances for a poor artist on the grounds that he is an interesting person: but here it works admirably, an informative and stimulating exhibition, that adds to our understanding of the work of a true artist.



Alan Davie at home: gallery installation at Gimpel Fils

Tavener's 'Last Rites'

BY DOMINIC GILL

John Tavener's *Ultimos Ritos: in honorem San Juan de la Cruz* had its first complete performance in Haarlem's Grote Kerk, where it was given by the Dutch Radio Chamber Orchestra and the BBC Singers during the Holland Festival last year: but this second performance by various soloists with the Southampton Youth Orchestra, Waynflete Singers and Winchester Cathedral Choir under Martin Neary probably better deserved the title of premiere. The Grote Kerk, impressive in scale but uneasily secular in atmosphere, had proved a less than ideal setting (as Andrew Porter reported then on this page, the smoke which rose during the rite came from cigarettes, not censers). The last movement was heard, because of a technical fault, without an essential tape-part; and the disposition of the players and audience (the event was recorded for television) seemed to have been dictated more by the requirements of camera-crews and lighting technicians than those of the score.

The acoustic of Winchester, the uncluttered quiet and dignity of the place, the "endless shining tunnel" of the nave, suited it well. The lay-out of audience and players also was well-conceived; and the performance, simple, austere, direct, was very good. "Austere" is not a word one commonly associates with Tavener's music: *Ultimos Ritos* indeed brings together most of his characteristic devices—the high, sweet melisma over a soft, single chord; the outburst of violence, more picturesque than angry; the novel juxtapositions of text and texture; the soft drifts of sound, clinging suspensions, neo-Straussian clouds of instrumental and vocal colour. Yet Neary's reading, with its measured tread, and solemn, careful momentum, lent the music a kind of austerity too that was not unwelcome, and certainly not unapt a foil to the sweetness, a pinch of firm, strong spice.

Death is a recurring theme in Tavener's work. His opus includes three earlier Requiems, and a memorial Responsorium: and *Therèse*, the opera he is writing for Covent Garden, dwells on the last moments of the saint. "When Christ calls men he bids them 'come and die.'" This is the philosophical thought behind both the opera and *Ultimos Ritos*. The musical material of the *Ritos* is derived from the *Crucifixus* of Bach's B minor Mass: a relation at first only barely perceptible in certain chord sequences, preparatory harmonies and melodic cells. But Bach takes over; in the last movement, a direct quotation from the *Crucifixus*, repeated seven times, finally "buries" Tavener's music with the words "et sepultus est."

The rite is further unified by settings in four of the five movements of poems by St. John of the Cross. But though a single theme, musical and mystical, runs through the whole work, the impression is much more of a work of parts—a quilted pattern, a music of mixtures and moments—rather than of one single unified whole. Some of the moments are striking: the huge, black fortissimo chord which introduces the rite—"Christ crucified": the rapturous confusion of the name of Jesus spoken in 50 languages in the third, harmonically static movement—one chord, one name; the antiphonal exchanges in the second movement; fierce and tender by turns, of woodwind, timpani and brass.

Tavener has a brilliant instinct for what he himself has called the "primitive, artless, obvious." Much of the music of the rite is very pretty, and speaks of a vivid and adventurous aural imagination: the strange, deep resonant pulse of chanting in the second movement, almost a re-writing for live performers of that similarly memorable, insistent pulse in the last Region of Stockhausen's *Hymnen*; the "burying" by Bach in the finale, beautifully fashioned, a sweet, simple idea. I found the fourth, instrumental movement less satisfying in context: though something, to be sure, of a more abstract nature, some interlude of stronger, quieter dialectic is needed to link the great climax of the third movement with the unaccompanied last.

Not a great work: but a pleasing one, intelligently made, whose parts are perhaps a greater sum than the whole. Good to hear again too—next chance at the Albert Hall on September 12.

Theatres this week

THE BUSH—*Nobody Knew They Were There*. Three old ladies locked implausibly in a lavatory, having fun, as much as age permits. Terence Greer's play is a bit strained. (Opened Monday.)

OPEN SPACE—*Iphigenia in Tauris*. Goethe's version of Iphigenia meeting Orestes and purging the family skeletons in the cupboard done full justice to, in John Prudhoe's noble and impressive production. (Opened Tuesday.)

SOHO POLY—*Hello Sailor*. Excellent first lunch-time play from Eric Sutton, a true slice of frigate life, funny and full of lively incident. (Opened Tuesday.)

MAXIMUS DISCOTHEQUE—*Don't Walk About With Nothing On*. Feydeau's one-acter is featured in a lunchtime production by a new company in a discotheque on Leicester Square. Amusing jealousy of a bourgeois petty civil servant scuttled by poor acting (Reviewed Tuesday).

THEATRE ROYAL, STRATFORD, E. *Look Out, It's Sir!* Latest offering from Joan Littlewood's company investigates the consequences of the invasion of a London secondary school by a gaggle of cheekily mini-skirted ladies. (Opened Monday.)

OPEN AIR, REGENT'S PARK. *Zoo Story*. Edward Albee's 1958 powerful one-acter, though slightly dated, is given impressive lunchtime performances by Robert Stephens and Michael Gambon. (Reviewed Wednesday.)

WESTMINSTER — *Tarantara! Tarantara!* Feeble musical about the life and stormy times of Gilbert and Sullivan, performed with charm by a company from the Bristol Old Vic. (Opened Tuesday.)

GARRICK — *Absent Friends*. Alan Ayckbourn's latest elegy for desperate existences among the middle classes is memorably and acrimoniously enacted by a cast headed by Richard Briers, Peter Bowles and Pat Heywood. Miss Heywood is, simply, brilliant. (Open Wednesday.)

NEW LONDON — *Kwa Zulu*. "Africa's Musical Explosion" is based on tribal folklore with additional music by Victor Ntoni. Probably the best and most convincingly performed rhythmic dancing and wailing available in London. Well worth a look. (Opened Thursday.)

Building forms

BY H. A. N. BROCKMAN

A History of Architecture by Sir Banister Fletcher: eighteenth edition revised by J. C. Palmes. Athlone Press. £12.50. 1,390 pages, illustrated.

This remarkable book, indispensable for reference by all concerned with or interested in architecture, has now been thoroughly revised by J. C. Palmes and a team of specialists. The coverage has been greatly extended to include much indigenous material in the Orient and the pre-Columbian West and also the Modern Movement and its international evolution almost to date. The enormous amount of work put into this edition by J. C. Palmes can be deduced from his typically modest preface. It is doubtful whether this enlarged edition will handle very well compared with predecessors: the joint between spine and covers seems very weak to me.

Collecting wisely

Automobilia nostalgia

BY JANET MARSH

JUST BECAUSE the motor car to-day so often appears to have become a monster in our lives, deafening, killing, forever demanding bigger roads, turning people out of their homes, despoiling the countryside and bringing the cities to a standstill, motoring's heroic days of innocence seem so much more nostalgic.

One of the most poignant reminders of those different days is a picture that appeared in the Illustrated London News of October 21, 1900, showing "The Automobile Club's Autumn Tour: Visit to Lord Llangattock's seat, the Hende, Monmouthshire."

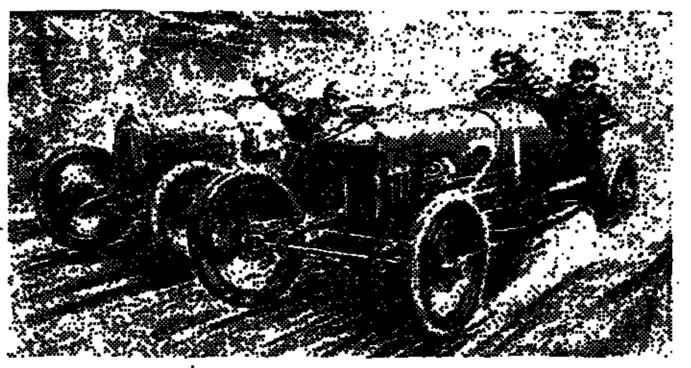
No Regency coaching print ever conjured up so idyllic an image of rural England. The Jacobean mansion stands in its romantic park: and before it there crawls placidly a cortège of a dozen cars, bumper to bumper, their passengers enthroned atop them. A few people sit on the grass, perhaps intending to catch up on foot later.

To cut the romance: if you could lay hands on only half those cars to-day you would be rich for life. Motoring is big collecting stuff.

The nostalgia is not confined to the pioneering days. Old cars are evocative of so many eras of our century: the dainty giants of brass, leather and gleaming coachwork that set off the actresses and beauties on Edwardian picture postcards; the beetle-like racers of the 1920s, roaring out of clouds of dust on the covers of boys' magazines and in the watercolours of Michael Wright: the square rackety vehicles of old Cagney gangster movies: the sedate tourers of the thirties, pictured on still rural roads.

The automobile was one of the many nineteenth century inventions that was not the work of a single man. The idea of a horseless carriage had been in the air since the eighteenth century, and there were innumerable ancestors run by steam or gas. It was in the early 1860s, with the large-scale development of petroleum that several inventors hit upon the four-stroke internal combustion engine.

At least one of these prototypes still survives, the hero of one of the best collectors' stories. Siegfried Marcus, a Viennese Jew, began work in



Detail from Coupe des Voiturettes, a watercolour by Michael Wright

1864, and in 1874-75 perfected a successful automobile. At the *Anschluss* in 1938, the Nazis, determined that a Jewish inventor should not have precedence over the several German pioneers, ordered the troops to destroy both the machine and all copies of a 1924 pamphlet about Marcus and his motors.

They arrived too late: it had been bricked up behind a cellar wall in the Vienna Museum of Industry and Trade, whence it emerged after the war, dusty perhaps, but still able to race in triumph—at a speed of three miles per hour—around the streets of Vienna in 1950.

Motor manufacture got into its stride in the 1880s, and the motoring mania first took hold in the nineties. The mushrooming of activity was phenomenal. In 1894 *Le Petit Journal* organised a race from Paris to Rouen, which Panhard and Levassor won with four cars which completed the 126 kilometres in 11 hours. Next year Panhard and Levassor again won a Paris-Bordeaux-Paris race, completing the course in slightly over 48 hours. The runners-up—nine out of the 28 entrants finished the course—were coming in for the next three days. In the summers that followed there were motor races everywhere in Europe.

The same year motor-cars were first exhibited at the Salon des Cycles, and the first motor shows were held in London. The first Motor Show of the Society of Motor Manufacturers, however, was held at the Crystal Palace in 1903, with four miles of cars covering 87,000 square feet of floor space.

The Automobile Club de France was founded in late 1895, and other clubs sprang up elsewhere. At the same time there was the first crop of motor magazines. Again priority seems to go to France: *La Locomotion Automobile* began publication early in 1894. The British *The Autocar* and two American magazines, *The Horseless Age* (New York) and *The Motor Cycle* (Chicago) followed in 1895.

Christie's are holding a large sale of "Motoring, Aeronautical and Railway Literature, Pictures and other related material" next Tuesday at their new South Kensington saleroom, with books, magazines, racing programmes, catalogues, handbooks, posters and such accessories as horns, head and tail lamps, speedometers that have lost their cars, and the radiator from a Rolls-Royce Silver Ghost, which will probably make a smart conversion-piece for an enthusiast's drawing-room.

Among the magazines are several shortish runs of *The Autocar* (the most sought-after of the early journals), some as early as 1901. It is whispered that if ever a complete 80-year run turned up, £10,000 would hardly buy it. Really early catalogues too can in some cases command prices of well over £100 apiece.

The pictures include fine lithographs and drawings, atmospheric watercolours by Michael Wright, George Ham and Bryan de Grineau and paintings by Roy Nockolds, Dion Pears and other artists who have at different periods been inspired by the race track.

At Christie's they reckon that the future of automobile collecting may well lie with the works of art—as well as the pictures—the *objets d'art* in the styles of *art nouveau* and *art deco*, inspired by the glamour and romance of former eras of motoring.

SALEROOM BY ANTONY THORNCROFT

Landseer lion tamer: £8,400

CHRISTIE'S ended its Victorian week yesterday with a successful sale of pictures. An attractive painting by Tissot, known as Seaside, was bought by a New York dealer, Haizan, for £11,550, above its £8,000-£10,000 estimate, and a Landseer portrait of Mr. Van Amburgh, the lion tamer, in a cage with some lions and tigers, was bought by another New York dealer, Klein, for £8,400, double the estimate.

This picture was sent for sale by the Duke of Wellington and had been originally commissioned by his ancestor, the first Duke, in the 1840s at a high price for the day of £1,000. Another Tissot, The Bunch of Lilacs, was bought by Richard Green for £7,350, also above its forecast, and a Millais, Leisure Hours, a portrait of the daughters of Sir John Pender, went to Leger for £4,410, just within its estimate.

Other notable prices in a sale where all the best lots sold, were the £3,780 by the Albany Gallery for a painting by John Middleton of a beech forest in autumn; £3,360 for a still life by Edward Labell, which was bought by Cohen; and the £2,940 paid by Moss for a picture by Atkinson Grimshaw of the Exchange and St. Anne's Square, Manchester, by night.

At Sotheby's the highest price in a furniture sale was the £1,500 for a George III mahogany breakfront library bookcase, and at Sotheby's Belgravia the second day of a sale of Continental ceramics brought the total to £55,017, with a London dealer paying £3,100 for a pair of ormulu-mounted Sevres vases of about 1856.

This week's SE dealings

Friday, July 25	4,794	Wednesday, July 23	5,493	Monday, July 21	4,697
Thursday, July 24	4,783	Tuesday, July 22	4,723	Friday, July 18	4,348

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The London Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian: $B—$Bahamian: $C—$Canadian: $HK—$Hong Kong: $J—$Jamaican: $Ma—$Malayan: $Mc—$Mexican: $NZ—$New Zealand: $S—$Singapore: $US—$United States: $WI—$West Indian.

BRITISH FUNDS, ETC. (844)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BDS., ETC.—U.K. (19)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (10)

INT. BANK STOCK (—)

CORPN. & COUNTY—U.K. (59)

Essex 5¼pc 87½ (24/7)
Glasgow Corp. 6pc 98½⊕ (24/7). 9¼pc 83½
Hampshire 6½pc 96⅝ (22/7). 9¼pc 87
Hertfordshire 5¼pc 72¼ ½ (22/7)
Huddersfield 5¼pc 93⅛ (21/7)
Islington 10pc 85½ (23/7)
Kent 5½pc 81¼ (24/7). 6½pc 88 (24/7). 9¼pc 87
Lanarkshire C.C. 5½pc 77¼⊕. 6pc 75¼ (21/7). 9½pc 90½
Leeds Corpn. 3pcDb. (In or after 1927) 19 (22/7)

COMMONWEALTH CORPN. STOCKS (—)

FOREIGN STKS., BDS., ETC. (65)

U.K. AND COMMONWEALTH RAILWAYS (3)

FOREIGN RAILWAYS (1)

Paraguay Cent. Rly. 6pcDb. 5

BANKS & DISCOUNT COS. (245)

Alexanders Discount 182⊕ (24/7)
Allen Harvey 270 (24/7)
Allied Irish Banks (25p) 118 (24/7). 10pcLn. 119
Arbuthnot Latham 165 (21/7)
Australian and New Zealand 346 50 45 3
Bank Leumi (U.K.) 204 (21/7)
Bank of Ireland 300 (23/7). 7pcLn. 51 (23/7). 10pcLn. 130½
Bank of Montreal ($C2) 11½
Bank of New South Wales ($A2) 560
Bank of Scotland 223
Barclays Bank 237⊕ 40 37‡ 42 1 2‡ 38. 8¼pcLn. 80¼ 1 80½ 80‡
Barclays Bank Int. 57½
Baring Bros. 7½pc2ndPf. 48⊕ ¼⊕
Bates (Edwards) (25p) 48⊕
Brown Shipley 177 (21/7)
Can. Imperial Bank ($C2) 17¼‡
Cater Ryder 208 (24/7)
Chase Manhattan Corp. $US12.50) $US35⊕ (24/7)

BREWERIES & DISTILLS. (152)

Mansfield Brewery 122⊕
Marston Thompson Evershed (25p) 35 (23/7)
Morland 265 (21/7)
Scottish Newcastle Breweries (20p) 47 ½ 8½. 5½pcPf. 47½ 7. 7¼pcPf. 64½⊕. 4¼pc 1stDb. 95 (24/7). 6¼pc1stDb. 66⊕ (24/7)
Seagram $US32 (23/7)
Sth African Breweries (R0.20) 119⊕ 16½ $US1.80 116p. 6.2pcPf. (R2) 99 (21/7). 7pcPf. (R1) 66
Sth. African Distilleries Wines 340⊕ (24/7)
Teacher (Distillers) (50p) 203⊕ (24/7). 8¼pcLn 55½⊕ (24/7)
Tollemache Cobbold Breweries (50p) 78 (22/7). 3¼pcDb 47⊕ ½⊕ (24/7)
Tomatin Distillers (25p) 58⊕
Vaux Breweries 245. 7¼pcDb. 54¼ (21/7)
Watney Mann Truman Hldgs. 4¼pcDb. 53¼ (23/7). 4¼pcDb. 37 (23/7). 10½pc Db. 76⊕ (24/7). 7¼pcUns.Ln. 50 (23/7)

CANALS & DOCKS (7)

COMMERCIAL, INDUSTL. (2,515)

A—B

BBA Gp. (25p) 48⊕ 7½
BICC (50p) 107⊕ 9 7 6. 5½pcPf. 40½ ¼. 6½pcDb. (1981-86) 62½⊕. 7pcDb. 57. 6½pcLn. (1988-93) 71 (21/7)
BOC Intnl. (25p) 44½ 5½ 5 4 3. New Ord. (25p) 43⊕ 3 ½. 6½pcPf. 45. 5¼pc Db. 58¼ (23/7). 9pc.TonnageDb. 69¼. 11½pcTonnageDb. 80¼ (23/7)
BPB Industries (50p) 97½⊕ 7⊕ 8¼⊕ 6 7. 7¼pcDb. 57½. 7¼pcLn. 74⊕ 3¼⊕ 4 (24/7)
BPM Hldgs. N.V. B Ord. (25p) 20. 6½pc Ln. 36 (23/7)
British Car Auction Gp. (10p) 50½⊕ 49½⊕ 9⊕ 9 8
British Cotton Wool Dyers Assoc. (25p) 15 (21/7)
British Dredging (25p) 18⊕. 8pcLn. 33⊕
British Enkalon (25p) 13½
British Home Stores (25p) 286⊕ 2⊕ 3 4 5 6. 7¼pcDb. 54 (21/7)
British Indust. Hldgs. (10p) 18⊕
British Leyland Motor Corp. (25p) 9½ ¼ (21/7). 6pcLn. 27⊕. 6.1pcLn. 55 (23/7). 7½pcLn. 38⊕ 9. 8pcLn. 37½⊕. 7¼pc Ln. 36‡ 7‡

C—D

E—F

G—H

Hall Eng. (Hldgs.) (50p) 164⊕
Hall Thermotank (25p) 53
Halma (10p) 17 (23/7)
Halstead (James) (Hldgs.) 6½pcMt.Db. 43 (23/7)
Hanimex Corpn. ($A0.50) 98
Hanover Grand 4.9pcPf. (25p) 7 (22/7)
Hanson Trust (25p) 81½⊕ 6½⊕ 3⊕ 1 2 3. New (25p) 54½⊕ 4⊕ ½⊕ ½⊕ 4 ½ 5½ 6 1⅞ 2 5 4½ 4‡ 6‡ 5½‡ 4½‡. 6½pcUnsec.Ln. 99⊕ (24/7)
Hardy (Furnishers) (25p) 30½ (24/7). A (restricted vtg.) (25p) 30½⊕
Hargreaves Group (20p) 27 (23/7)

COMMODITIES/Review of the week

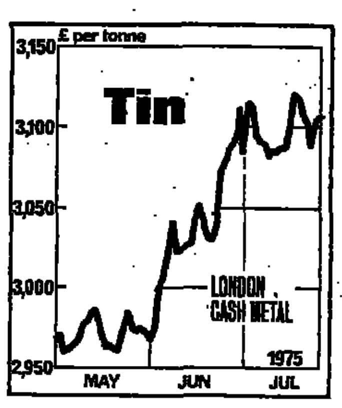
Wild swings in coffee market

BY OUR COMMODITIES STAFF

COFFEE WAS the star performer in the London commodity markets' most hectic week for years, following the Brazilian frost disaster which turned the fundamental world supply/demand situation upside down. The coffee futures market was characterised by alternate rises and falls, beginning with a £178 a tonne rise for September delivery on Monday—on top of the previous Friday's £146 advance—and ending yesterday with a "modest" £25 increase. The September position finished the week £77.25 higher on balance at £744.25 a tonne, after reaching £855 at one stage.

According to coffee trade sources in Rio de Janeiro, next year's crop is unlikely to exceed 11m. 60-kilo bags, against a pre-frost estimate of 25m. bags. This year's crop (estimated at 20m. bags) should not be significantly affected. The worst devastation is in Parana — normally Brazil's major coffee producing area — where 1976-77 output is now put at about 500,000 bags, against a previous estimate of 11m.

The cocoa market also made considerable ground, the September position reaching £648.5 a tonne before ending £49.25 higher on the week, at £637.5. The coffee price boom was obviously an important influence in this rise but the effect on sentiment of Soviet wheat purchases was probably more significant.



Weakness of sterling also encouraged the market's "bullish" feelings.

Another casualty of the Brazilian frost was the sugar crop. Though nothing like as severe as for coffee London merchants C. Czarnikow note in their weekly sugar review that the sugar crop seems to have suffered considerable damage, and quotes local reports of crop losses in the region of 300,000-400,000 tons. These reports had a firming effect on world prices, which were also helped by the result of a Thai selling tender at which $404.76 was paid for 25,000 tonnes of raws.

The London daily raw sugar price gained £10 on the week, to £195 a ton, while the October futures position moved up £18.125 to £186.375.

Metal prices finished the week higher with the exception of tin, which ended £4 down for cash, at £3,115 a tonne. This was despite a £12 rise yesterday.

Cash copper gained £6.75 a tonne yesterday, though a further rise in London Metal Exchange warehouse stocks is expected to be announced on Monday. The cash quotation ended the week £14.75 higher, at £573 a tonne. This was mainly as a result of speculative buying, encouraged by the rise in silver prices which were boosted to 1975 highs under the influence of Soviet grain purchases.

Conditions were quiet in the lead and zinc markets. Cash lead closed £7 up on the week, at £168.75 a tonne, mainly reflecting the rise in copper, while cash zinc finished unchanged, at £320.25 a tonne, despite evidence of continuing producer support.

WEEKLY PRICE CHANGES

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975 High	1975 Low
Metals					
[illegible]					

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975 High	1975 Low
Spices					
Seeds					
Other Commodities					
[illegible]					

MARKET REPORTS

BASE METALS

SILVER

COCOA

MEAT/VEGETABLES

GRAINS

COFFEE

FREIGHTS

RUBBER

SUGAR

SOYABEAN MEAL

WOOL FUTURES

JUTE

COTTON

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

Grains up on Soviet crop report

NEW YORK, July 25.

SILVER closed sharply higher on renewed commission house and chartist buying. Despite forecasts of another record LME stock rise, copper advanced. Cocoa closed higher despite late commission house profit-taking. Sugar traded quietly throughout the day, but later commission house buying closed market slightly higher. Chicago grains finished limit-up to sharply higher on news that the Soviet grain crop could be less than expected, which in turn could lead to future purchases, Bache reports.

Cocoa—Ghana spot 82½ (81 nom.). Bahia spot 69¾ (67¾ nom.). Sept. 62.20 (60.85), Dec. 57.70 (55.90). March 55.30, May 54.70, July 54.15, Sept. 54.15, Dec. 54.15. Sales: 1,177.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: Sept. 77.00 (73.00), Nov. 77.60 bid (73.80), Dec. 77.95 bid, March 78.68 bid, May 79.15 bid, July 79.45 bid. Sales: 263.

Copper—July 59.00 (57.30), Aug. 59.10 (57.40), Sept. 59.50, Dec. 61.20 settlements. Sales: 3,573 lots.

Cotton—Oct. 49.65-49.70 (49.00), Dec. 49.88-49.95 (49.34), March 50.76, May 51.32, July 52.15-52.23, Oct. 53.10, Dec. 53.25-53.35. Sales: 1,102.

⊕Gold—July 167.50 (165.60), Aug. 167.90 (166.00), Sept. 169.40, Oct. 171.10, Dec. 174.30, Feb. 177.50, April 180.50, June 183.50, Aug. 186.40, Oct. 189.30. Sales: 3,586.

Greasewool—Spot 142.5 nom. (same), Oct. 142.5-146.0 (143.3), Dec. 143.5-149.0 (143.5), March 146.0-151.5, May 146.0-152.5, July 146.0-152.5, Oct. 146.0 bid, Dec. 146.0 bid.

†Lard—Chicago loose 33¾ traded (34 asked). NY prime steam 35¼ nom. (33¼ nom.).

††Maize—Sept. 282-291 (278¾-279), Dec. 271½-280 (264¼-265), March 273¾-276, May 280¾-280, July 284½.

‡Platinum—Oct. 177.40 bid (171.90), Jan. 181.80 bid (175.20), April 186.30, July 190.50 bid, Oct. 195.00 bid. Sales: 818.

‡‡Silver—Spot 489.00 (479.00). July 489.50 (477.60), Aug. 490.00 (477.50), Sept. 493.50, Dec. 506.30, Jan. 510.80, March 519.00, May 527.00, July 534.90, Sept. 542.70. Sales: 10,665.

*Soyabeans—Aug. 594¾ bid (574¼), Sept. 592½ bid (572½), Nov. 594¾-594¾ bid, Jan. 603½, March 612 bid, May 620½-621, July 625, Aug. 625½.

bSoyabean Meal—Aug. 132.50-132.00 (130.10), Sept. 136.80 (134.20), Oct. 139.00, Dec. 142.50, Jan. 143.50, March 148.00.

Soyabean Oil—Aug. 27.60-27.60 bid (26.60), Sept. 26.45 bid (25.45), Oct. 25.35 bid, Dec. 24.77-24.77 bid, Jan. 24.45 bid, March 24.27-24.27 bid, May 23.98-23.98 bid, July 23.75 bid, Aug. 23.40-23.50.

Sugar—Spot 18.40 (17.55), Sept. 17.85-17.93 (17.53), Oct. 17.45-17.55 (17.18), Jan. 17.98 nom., March 18.75-18.82, May 18.70, July 18.55 asked, Sept. 18.50 asked, Oct. 18.35. Sales: 3,864.

Tin—318.00-371.00 (same).

**Wheat—Sept. 375¼-376¼ (366½-369), Dec. 388-389¼ (382-384), March 400, May 402-403.

WINNIPEG, July 25. ††Rye—July 240 bid, Oct. 251½ bid, Dec. 249 bid, May 255 bid.

cOats—July 166½, Oct. 160½ asked, Dec. 157¾ asked, May 158 nom.

§Barley—July 249, Oct. 240, Dec. 236½, May 229 nom.

dFlaxseed—July 826 bid, Oct. 819½ asked, Nov. 805 asked, Dec. 787 asked, May 780 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 503¾ (503½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ⊕ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ‡ Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

هكذا من الأصل

هكذا الأصل

JULY 21 (3)
Chepstow Racecourse Co. p445ø
May and Hassell 6pcCum.Pf. p34½ø

JULY 25 (3)
Bulmer Lumb (Hldgs.) 5pcPf. p23½ø
Plastocraft Prods. (Darwen) p14

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

JULY 25
Allied Chems. £26½ø
Bk. NSW (Aust. Reg.) 555
Bellambi Coal 280
Ciba Geigy 8pcCnv. £97
Cities Services £19⅝ø
Coles (G. J.) 102 5
Columbia Gas £17½ø
Deutsche Bk. £89⅛
Dulker Explrn. 327
Hamersly Hldgs. 140
Hill 50 Gold 16
Hong Kong Land 93½
Hudson's Bay Oil Gas £20¼ø
Italian Public Utility Credit Inst. 30-yr. Gtd.Ext.Stg. 1947 Bd. £66ø
Jardine Matheson 323
Lend Lease Cpn. 216
Marathon Oil £35½ø
May Dept. Stores £30½ø
McArthy Rodway 97ø 6
Metramar Minerals 15ø
Mid East Minerals 23
Nobelex 8
Oakbridge Secs. 60
Oil Search 24
Ocean Resources 18
Pan Canadian Pets. £10⅞ø
Pantina Mng. Cpn. 865
Peko Wallsend 265
Petrofina £92½ø
Polaroid £30ø
Poseidon 205ø 200 5. New 48 5 3
Sunningdale Oil 425
Tooth 154 5
Unilever NV (Fl.20) £20½ø
Western Decalta 372 7
Wheelock Maritime 8 4
Woodside Burmah 70ø

JULY 24
Alliance Oil Development 6
Barings Crpn. $US21¼ø
Bougainville Copper 91
Ciba Giegy 7¼pcCnv. £80ø ½
EZ Industries New (30 cents pd.) 100
Hutchison Intnl. 28½ 5
National Fuel and Gas £15⅞
Netherlands Bank (SA) 207ø
Nichclas Intnl. 32ø
Oakwood Petroleum $C0.85
Oil Search 25
Pacific Copper 12
Pacific Power and Light £13¼
Searle (G. D.) £12⅞
Selcost Exploration 19
Wheelock Marden A 51
Yukon Consd. 64

ERRATA
Dankoe Mines should have been marked $C2.22ø (23/7)

JULY 23
American Telegraph and Telephone £35⅛
Australian Consolidated Minerals 8ø
Australian Mining and Smelting 109ø
Bluebell Inc. £22½ø
Bougainville Copper 90ø
Canadian Pacific Inv. $US16⅝
Ciba Giegy 7¼pcConv. £80½ø ¼ø.
Consolidated Gold Fields (Aust.) 280
Continental Illinois Cpn. £33¼
Cornwall Equities 400ø
Cudgeon (R. Z.) 67
Daniel Int. Cpn. £13⅞ø
Dunlop Rubber (Aust.) 66
Escom 4¾pcLn. 1975-80 $US98.96ø 99.456ø
Kalgoorlie Southern Gold 90
K. and L. Timber 65ø 6ø
McIntyre Porcupine Mines £33¼
Metal Exploration 34
Mitsui $US1.53
Niagara Share Con. $US14⅛
Paxall Inc. 635
Planet Resources 2½
Rembrandt Group 195ø 90
Scheering $US162¾
Sears Roebuck $US65¼
South Carolina Elec. and Gas £10¹¹⁄₁₆
Steep Rock Mines 90

Swire Industries A 196
Timor Oil 7½
TriContinental £15⅞ø
Walgreen $US11¼
Whim Creek 30ø
Yukon Consolidated 66

JULY 22
Algoma Steel £18⅞
American Telegraph Telephone £36¼ø. 8¾pc 2000 £73ø
Australian Mining and Smelting 107ø
Bethlehem Steel £26⅝
Bougainville Copper 88ø 7ø
Cathay Securities 27
Chieftan Developments 687ø
Comalco A 115
Conzinc Rio Tinto (Aust.) 190
Gerber Products £14½
Gulf Oil (Canada) £22⅝
Hutchison International 28½
Indonesia Consolidated $US0.13¼
K. and L. Timber 65ø 6ø
Kaiser Steel £28⅛
Masacho Inv. Stk. Growth Cap. Fund 710ø
Northern Mining 1ø
Palabora 990ø 70ø
Rembrandt Gp. 191ø 90ø
Slater Walker (Canada) 585
Southern Pacific Properties 10
Tara Exploration £10½
Timor Oil 6½
Tooheys 136
Woolworth Hldgs. Ord. 280

JULY 21
Anglo United Developments 75
Borax 156ø
Bow Valley Industries £10¹³⁄₁₆
Consolidated Goldfields (Aust.) 290
Conzinc Rio Tinto (Aust.) 205
Dresser Industries $US64½ø
Herald and Weekly Times 160ø
IAC Hldgs. 73ø
Reynolds (R. J.) Inds. £41⅞
[illegible] Algom £23ø
Siemens $US109
[illegible]enbosch Wines 365ø
Swire Pacific A $US1.34 1.34½
Vultan Minerals 18ø
[illegible]alker (Hiram) £23⅛

(By permission of the Stock Exchange Council)

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (2)

BUILDINGS (1)
Burnett and Hallamshire
ENGINEERING (1)
Bevan (D. F.)

NEW LOWS (8)

AMERICANS (1)
Brunswick Cpn.
BUILDINGS (1)
Francis Parker
ENGINEERING (1)
Birmingham Pallet
INDUSTRIALS (2)
Cosalt — Crowther (W.)
TEXTILES (1)
Wood Bastow
TRUSTS (2)
Lampa Secs. — U.S. Tst. Fund

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	48	1	4
Corpns., Dom. and Foreign Bonds	15	5	51
Industrials	278	294	1,183
Financial and Prop.	126	127	353
Oils	7	4	21
Plantations	4	12	32
Mines	19	38	96
Recent Issues	23	10	38
Totals	520	491	1,778

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	23	248	—	302	118
Tate & Lyle 'New'	Nil/pd.	17	9*	+ 2	21*	7*
Hanson Tst. 'New'	Nil/pd.	12	55*	—	61*	55*
BP	£1	10	512	—	555	190
EMI	50p	11	168	—	200	62
GEC	25p	10	118	+ 2	133	51
Commercial Union	25p	9	147	+ 6	194	72
Distillers	50p	9	110	+ 3	150	65½
Legal & Gen. 'New'	Nil/pd.	9	3½*	+ 1	22*	2½*
Metal Box 'New'	Nil/pd.	9	6*	+ 1	28*	5*
Unilever	25p	9	326	− 2	408	170
"Bats"	25p	7	293	+ 4	338	164
Central Manuf'g.	10p	7	68	+ 2	70	20
House of Fraser	25p	7	72	+ 2	97	37
Keyser Ullmann	25p	7	48	+ 8	85	32

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.
* Premium.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1975 high	1975 low
ICI	£1	104	248	− 4	302	118
Tate & Lyle 'New'	Nil/pd.	82	9*	− 9	21*	7*
Metal Box 'New'	Nil/pd.	65	6*	− 8	28*	5*
Bats	25p	55	293	−22	338	164
BP	£1	54	512	−11	555	190
Legal & Gen. 'New'	Nil/pd.	52	3½*	− 7½	22*	2½*
Distillers	50p	51	110	− 5	150	65½
Marks & Spencer	25p	50	98	− 3	128	47½
Midland Bank	£1	49	230	−16	305	122
Unilever	25p	49	326	−38	408	170
Furness Withy	£1	48	238	− 7	257	111
Shell Transport	25p	46	297	− 9	343	118
P & O Defd.	£1	44	82	− 8	128	59½
Natl. Westminster	£1	43	202	−14	275	88
Barclays Bank	£1	42	245	−11	325	112

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
July 22	Aug. 4	Oct. 16	Oct. 28
Aug. 5	Aug. 18	Oct. 30	Nov. 11
Aug. 19	Sep. 1	Nov. 11	Nov. 25

"Calls" were dealt in English Property, Dunlop, Keyser Ullmann, Cavenham warrants, House of Fraser, General Electric, Lonrho, National Westminster Bank warrants, "Lofs" and Amalgamated Investment. No "puts" were reported, while "doubles" were arranged in Dunlop, Cons. Gold Fields, Cavenham warrants and Courtaulds.

Industrials							
		Grand Met.	9	Slater Walker	16		
		G.U.S. 'A'	20	Spillers	7	Mines	
A. P. Cement	20	Guardian	20	Tesco	6	Anglo Amer.	50
Assoc. Leisure	5	G.K.N.	28	Thorn "A"	20	Broken Hill Prp	75
Barclays Bank	35	Hawker Sidd.	30	Tube Invest.	30	Charter Cons.	22
Beecham	28	House of Fraser	10	Unilever	40	Chart'rh'll Fin.	8
Boots Drug	24	Hudson Wilms	5	Utd. Drapery	12	Cons Gold	25
Bowaters	20	I.C.I.	24	Vickers	16	De Beers Def.	25
B.A.T.	35	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	1¼	I.C.L.	7			Great Boulder	12
British Oxygen	5	Inveresk	10	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	30	E.P.	11	Kloof	140
Courtaulds	14	"Lofs"	7	Int. Europe.	7	Lonrho	13
Debenhams	11	"Mams"	9	Land Securities	22	Loraine	55
Distillers	15	Marks & Sp'ncer	13	Peachey	7	Metals Explor.	8
Dunlop	6	Midland Bank	32	Town & City	6	Poseidon	55
Eagle Star	16	Nat'l West Bank	30	Town & Comm.	7	Pres. Steyn	275
E.M.I.	20	P & O Dfd.	16			Rio T. Zinc	20
First National	3	Plessey	10	Oils		Welkom	55
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	45	West Areas	75
Gen. Accident	16	Rank Org. 'A'	25	Burma Oil	6	Western M'ng.	15
Gen. Electric	14	Reed Int'l.	28	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

Diamond (13)
Anglo-American Invest. (R0.50) 31½ ¾ (24/7)
De Beers Consd. Mines 40pcPf. (Reg.) R5) 15 (23/7). Dfd. (Reg.) (R0.05) 310ø 12 10 9
Sea Diamond Crpn. (R0.10) 27

OIL (165)
Anglo-Ecuadorian (50p) 34 (22/7)
Attock 600
Berry Wiggins (25p) 73ø 1
British-Borneo (10p) 14 6

Outwich Investment Tst. 6pcPf. 38ø
Pentland Investment Tst. (25p) 76½
Portfolio Intnl. Investment Tst. (25p) 3¼
Progressive Securities Invest. Tst. (25p) 15ø
Provincial Cities Tst. (25p) 18½ (23/7)
Raeburn Investment Tst. (25p) 96½ø ½ 7 (24/7). 5pcPf. 36ø ½ø. 5pcDb. 25 (23/7)
Rights and Issues Invest. Tst. (25p) 21½ 1 (23/7). 7½pcPf. 40ø ½ø (24/7)
River and Mercantile Tst. (25p) 129
River Plate Gen. Inv. Tst. 5pc.Dfd. (25p) 100 (23/7)
Robeco Rotterdamsch Beleggings consortium NV) (Fl.50) 7.44ø (24/7). Sub-Shs. (Reg. in name Nat. Prov. Bank (Nominees) (fl.5) 509
Romney Tst. (25p) 67½ø 6½
Rothschild Invest. Tst. 352. 5pcPf 35½ø ½ø. 6pcPf. 40½ø ½ø. 5pcRd.Pf. 72½ 2 (22/7). 5½pcLn. 104ø
St. Andrew Tst. (25p) 93 ½ (21/7)

SPECIAL LIST
JULY 24 (Nil)
JULY 23 (2)
Morton Sundour Fabrics 5pcCum.1stPf. p23½ø
JULY 22 (2)
Plastocraft Products (Darwen) p14

BANK RETURN

—	Wednesday July 23 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	21,945,352	+ 327,422
Special Deposits	923,275,000	− 6,275,000
Bankers	326,123,628	+ 75,056,955
Reserves & Other Accs.	330,731,232	− 22,250,343
	1,713,223,212	+ 49,127,014
ASSETS		
Govt. Securities	1,211,767,899	− 26,506,000
Advances & Other Accs.	323,152,713	+ 102,534,641
Premises, Equip't & other Secs.	86,793,500	− 32,910,705
Notes	25,311,347	+ 11,118,429
Coin	225,533	− 10,611
	1,713,223,212	+ 46,127,314
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	5,975,000,000	+ 75,000,000
In Circulation	5,349,688,653	+ 63,881,511
In Bank'g Dept.	25,311,347	+ 11,118,429
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs	5,253,752,227	− 27,351,060
Other Securities	690,272,673	+ 102,351,060

U.K. CONVERTIBLE STOCKS 25/7/75

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Acrow Engineers 8pc P.Cv. 92-02	7.38	53.00	●	77-87	15.3	15.5	104.2	73 to 120	16.8	45.4	110.1	+ 5.9
Alcan Aluminum 9pc Cv. 89-94	12.00	65.00	100.0	76-80	14.0	14.6						
Associated Paper 9½pc Cv. 85-90	1.40	63.00	200.0	76-85	15.1	16.2	23.5	9 to 56	45.7	48.4	−0.7	−24.2
Bank of Ireland 10pc Cv. 91-96	10.25	131.50	35.7	77-90	7.8	7.0	22.7	11 to 35	45.0	63.3	17.1	− 5.6
BPB 7¾pc Cv. 89-94	5.00	75.00	62.0	72-80	10.7	11.3	24.1	− 1 to 39	21.7	28.1	10.6	−13.4
English Property 6½pc Cv. 98-03	19.98	100.00	234.0	76-80	6.6	6.7	−8.1	−29 to −2	33.1	23.6	−8.7	− 0.6
Grand Metropolitan 10pc Cv. 91-96	121.90	79.00	120.2	73-78	13.2	13.5	15.3	6 to 20	15.3	21.3	8.7	− 6.6
Hanson Trust 6½pc Cv. 88-93	4.51	60.00	57.1	76-86	11.2	12.4	31.3	− 5 to 20	41.2	36.2	−11.0	−42.3
Hewden-Stuart 7pc Cv. 1995	0.86	135.00	280.0	75-95	5.2	4.3	−1.6	−37 to 3	57.2	45.1	−8.9	− 7.3
Lyons, J. 7½pc Cv. 1981	3.60	74.00	22.7	75-81	10.1	14.4	175.9	90 to 176	12.0	29.8	66.5	−109.4
Mercantile Credit 9pc Cv. 1980	12.68	85.00	138.0	76-80	11.0	14.2	116.1	62 to 206	0.0	30.6	77.8	−38.3
Scottish Automobile 10pc Cv. 85-90	2.00	55.00	166.0	75-85	18.7	19.7	10.4	− 5 to 38	42.4	51.8	18.9	+ 8.4
Slough Estates 10pc Cv. 87-90	5.50	120.00	125.0	78-87	8.5	7.7	37.1	25 to 42	24.4	55.7	35.8	− 1.4
Tozer, Kemsley 8pc Cv. 1981	7.33	85.00	153.8	74-79	9.6	11.9	38.2	22 to 36	16.0	24.5	13.8	−24.4
Wilkinson Match 10pc Cv. 83-88	11.10	75.00	40.0	76-83	13.5	13.7	61.6	41 to 74	25.5	46.9	46.1	−15.5

● 22 Ordinary "A" shares (non-voting) plus £50 unsecured loan stock.

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date, whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of the underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Quiet, but steadier close to a dreary week in markets

Index up 3.3 at 286.7 for week's loss of 12.2—Gilts firm

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 14	July 24	July 25	Aug. 5
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equities saw only a pale shadow of the expected rally yesterday, the last day of the Account which, up until Thursday's close, had sustained a fall as measured by the F.T. 30-Share Index of 30.2. In the event, there was no news to justify a recovery, most of the bear positions having been closed on Wednesday and Thursday. The index, after having been 3.1 better at 10 a.m. and 5 points up at 2 p.m., closed with a net rise of 3.3 at 286.7. This left a fall of 12.2 on the week and a loss of 26.9 on the Account.

The increase of a full point in Minimum Lending Rate to 11 per cent. was fully discounted and by itself a non-event. Gilt-edged, in fact, enjoyed firmer conditions from the start of business and closing gains were to ⅜ in shorts and mediums and to ⅝ in longer-dated maturities. The Government Securities index rose 0.26 to 60.49, but was still 0.48 lower on the week.

Gilts discount MLR

The interim results from banking issues, Midlands and Lloyds failed to arouse much enthusiasm with profits in line with market expectations; the F.T.-Actuaries share index for the sub-section hardened 0.9 per cent. to 133.37. The All-Share index gained 1.1 per cent. to 127.89, while falls held the narrowest of majorities over rises in all F.T.-quoted Industrials. The subdued trading conditions were underlined by official markings of only 4,794; the week's daily average of 4,795 was the lowest to date this year.

Gilt-edged showed no further nervousness in front of the expected rise in Minimum Lending Rate, although business was restrained ahead of the news. Genuine demand together with bear-covering pushed quotations gently higher throughout the list and the 3 p.m. announcement confirming the rise of a full point to 11 per cent. in MLR failed to halt the movement. The absence later of a new long "tap" announcement, thought very likely earlier in the week, gave added impetus to the upturn which left the longs with fresh gains to ⅝ and the shorts with recoveries to ⅜. Increased Prime rate were ignored, having no apparent influence on sentiment. Corporations came into line with the main funds and rallied ½ in places.

Keyser Ullmann good

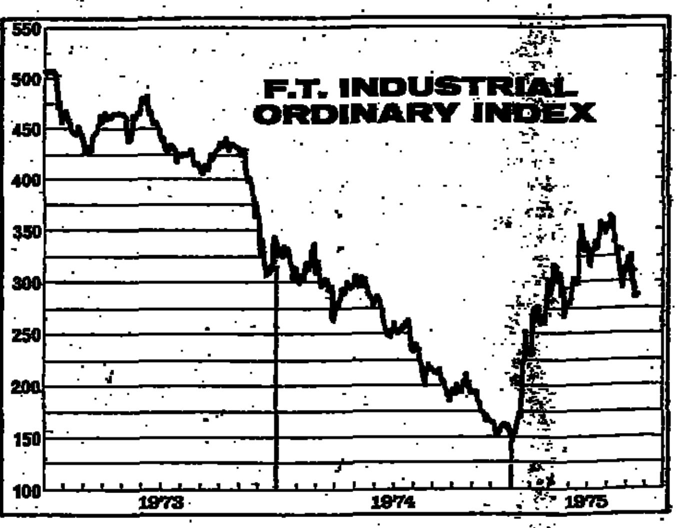
A routine two-way interest made little impression on the investment currency premium which closed marginally easier at 86 per cent. Yesterday's SE conversion factor was unaltered at 0.6410.

After National Westminster had started the interim dividend season with a disappointing set of figures on Tuesday, the mediocre performances reported yesterday by Lloyds and Midland caused no surprise and little business was transacted, although prices closed firmer for choice. Midland hardened 2 to 230p as did Lloyds to 190p. Barclays (the last to report next Thursday) improved 5 to 245p. Keyser Ullmann featured Merchant banks, rising 8 to 48p, after 49p, in response to a Press "tip."

Insurances ended the week on a quietly firm note. A small investment interest helped shares edge higher and Commercial Union put on 6 to 147p, after 149p, while Sun Alliance were 7 better at 332p. Pearl hardened 4 to 190p.

Whisky producers displayed contrasting movements in Distillers which hardened 3 to 110p and Teacher which receded 5 to 195p. Amalgamated Distilled Products, 39p, held steady ahead of Monday's preliminary results. Breweries closed a shade firmer in places after a small trade.

In a listless Building sector, Francis Parker fell 3 to a 1975 "low" of 5p on small persistent selling in an unwilling market. John Laing 'A', 104p, and J. Jarvis, 95p, lost 5 apiece, while Breedon Lime finished 4 off at 60p. Awaiting fresh developments in the bid situation, NET eased 2 to 52p, still leaving a rise on the week of 9; William Mallinson, the bidders, ended a penny cheaper at 26p. On the other hand, Associated Portland Cement moved up 4 to 126p and rises of 3 were seen in Redland, 71p, and Burnett and Hallamshire, 52p. After touching 251p, ICI drifted back to close unchanged on the day at 248p.



Stores closed modestly better following a reasonable turnover. Marks and Spencer were raised 4 to 98p, after 100p, while British Home Stores, 287p, and F. W. Woolworth, 43p, put on 2 apiece. Burton Group 'A' were supported up to 42p for a rise of 3. Among secondary issues, S. Casket provided an isolated dull spot at 32p, down 6, on small selling in an unwilling market.

A little "new-time" buying interest brought a modest improvement in leading Electricals, but prices turned back later to end just a shade up on balance. Ward and Goldstone, on the reduced profits, were a shade off at 48p.

The undertone in Engineerings was in no way impaired by news of the further fall in orders and that recession was biting hard in the Industry. Leading issues, however, were often below the best with Tube Investments closing 4 up at 286p, but GKN only 1 harder at 208p, after 213p.

News items lifted Young Austen and Young 4 to 49p, and Pegler-Hattersley 1½ to 108p and W. E. Northon ½ to 8½p, while Press mention stimulated interest in Richardsons Westgarth, 2 better at 43p, and Serck, fractionally dearer at 31p. Despite the dividend cut and profits slump, Coated Metals rallied 3 to 45p. Hill and Smith rose 3 to 56p and Butterfield-Harvey recovered a similar amount to 24p, but adverse comment lowered Davy International, due to go ex "rights" next Friday, 4 to 87p, after 88p. W. A. Tyzack lost 4 to 28p in a thin market.

Apart from H. Vincent, which declined 12½ to 72½p on small selling in a restricted market, Foods were generally idle and little changed. Unigate, still reflecting trading news and the proposed milk price increases, firmed a penny to 41½p, while similar gains were recorded by RHM, 34½p, and Cavenham, 117p. In Supermarkets, Tesco closed a shade harder at 39p following the chairman's encouraging statement at the annual meeting.

J. Lyons "A" were finally 3 up at 120p, after 124p, in belated response to the chairman's report on current trading. Wheelers Restaurants made no apparent response to the results, closing without alteration at 90p. Adda International, however, eased 1½ to 8p on the dividend omission and loss.

Quality Cleaners jump

"Bear covering" aided a modest recovery in miscellaneous Industrial leaders at the start, but prices were subsequently inclined to drift back in idle trading and closed just a little better for choice. After recent dullness on the lower interim profits, Rank Organisation "A" made the brightest showing at 133p, up 7, reflecting small U.S. buying. Unilever finished 2 softer at 326p, after 332p, leaving a fall on the week of 38; the half-time figures are due soon. Elsewhere, Quality Cleaners moved into the limelight with a jump of 28 to 64p in response to the 72p cash offer from Sketchley, which eased 2 to 57p. Bensons International Systems put on 5 more to 180p for a week's advance of 78 on the 190p cash bid from Esselte of Sweden. Central Manufacturing gained another 2 to 68p awaiting news of the bid talks with LCP. Also in firm vein were Johnson Group Cleaners, 3 up at 31p, but White Child and Beney, on the half-time statement, shed 2 to 42p. The Australian Broken Hill Proprietary receded 10 to 650p on the preliminary statement.

Inveresk regained composure after the disappointing news about first-half trading issued earlier in the week and closed 1½ harder at 47½p, still down 6 since the announcement was made. Elsewhere, Lowe and Brydone gaining 3½ to 133p but London and Provincial Poster lost that much to 77p. Further consideration of the record profits took Gordon and Gotch up 2 to 88p.

Land Secs. lower

After Wednesday's fresh set-back on interest rate fears and Land Securities' surprise £21m. fund-raising operation, Property leaders rallied a little at the start but later turned easier again in very slow trading. Following confirmation of the point rise in MLR, Land Securities closed 3 lower at 144p, after 150p, to leave a fall on the week of 27, while MEPC were finally 5 cheaper at 83p, down 18 on the week. Secondary issues made a steadier showing, with Haslemere Estates, 171p, recouping 6 of the previous day's loss of 11. Peachey Property, following the full report, hardened 1½ to 22½p. County and District Properties, however, were 3 cheaper at 17p.

The paucity of trade made for an uninteresting day in Oils although the tendency was for some improvement before slight easiness near the close. Shell edged forward to 299p prior to ending a net 3 higher at 297p, but British Petroleum, 512p, and Burmah, 28p, both closed unaltered. With end-Account influences out of the way, Berry Wiggins rallied 3 to 74p, and Ultramar were 2 better at 178p, after 180p. Pan Ocean, down 30 at 780p, provided the only movement of note in the overseas section.

Overseas Traders closed firmer for choice. Press comment on the preliminary statement helped Inchcape pick up 10 to 353p and Harrisons and Crosfield hardened 12 to 837p.

Shipping were highlighted by a swift "after-hours" upsurge in Furness Withy which closed 15 higher at 238p on fresh speculative buying on bid hopes. Quiet conditions prevailed elsewhere and P&O Deferred drifted down 1 to 82p.

Trusts and Financials displayed no set trend after a small business. Fashions and General improved 2 to 77p on Press comment for a gain on the week of 13. Dalgety recovered 3 to 195p but small selling and lack of support took Lampa Securities down 5 to 48p. Yule Catto receded a penny to 31p on the half-year figures and Peldayne were similarly cheaper at 8p, after 7p, despite the return to profitability.

In mixed Textiles, Courtaulds rallied to 111p but then eased back in the late trade to close unaltered at 108p. Allied hardened 3 to 52p on the better-than-expected results and A. Beckman improved a penny to 46p on an investment recommendation. Vita-Tex, however, lost that much to 14p following the halved profits.

With the interim results due Tuesday, Bats took a turn for the better yesterday, improving to 295p on bear closing before closing 4 better on balance at 293p; this represents a fall on the week of 22.

Guthrie, in Rubbers, rallied 6 to 183p, in line with the recovery in Industrial leaders. Williamson Tea, 67p, were little changed on the results.

Golds edge up

Gold shares ended the week and the Account on a firmer note. After a quiet morning session, prices started to move higher following the improved afternoon fixing of the metal price, which prompted selective U.S. interest in a rather thin market. The Gold Mines index rose 0.8 to 246.3, making a gain of one point over the week while the bullion price ended the day $1.05 up at $166.30 for a week's gain of $1.55.

Vaal Reefs were a point up at £27¾. Winkelhaak put on ½ at £10¼ and East Rand Proprietary added 30 at 990p. Financials were quietly mixed. Geduld were unaltered at 390p but 20 better on the week following the increased profits and interim dividend. Selection Trust were steady at 505p but 45 down over the longer period reflecting anticipation of an eventual "rights" issue. De Beers eased 2 to 309p owing to Continental offerings.

Platinums showed no overall trend, Lydenburg falling 3 to 140p owing to Cape offerings but Potgietersrust were 2 harder at 252p. Coppers were untested.

The easier investment dollar premium was reflected in occasional small losses in Australians following a trendless overnight session in Sydney and Melbourne. Pancontinental were 5 off at 475p making a week's fall of 55p owing to profit-taking following the recent sharp rise which took the shares to an all-time high of 530p a week ago.

Tins were lower where changed except for Ayer Hitam which added 3 at 128p helped by Press comment. Elsewhere, investment dollar premium considerations lowered Northgate 5 to 250p.

FINANCIAL TIMES STOCK INDICES

	July 25	July 24	July 23	July 22	July 21	July 18	A year ago
Government Secs.	60.49	60.23	60.07	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Interest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrial Ordinary	286.7	283.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ord. Div. Yld. %	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Earnings Yld. % (full)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P/E Ratio (net) (*)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dealings marked	4,794	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity turnover £m.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity bargains total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(a) Based on 52 per cent. corporation tax. (b) Nil. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/6)	49.16 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/5)	50.65 (6/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	366.5 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (28/6)	280.8 (30/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 25	July 24
Daily—		
Gilt-Edged	138.7	126.0
Industrials	157.9	160.4
Speculative	39.2	52.2
Totals	109.1	105.9
5-day Av'rge		
Gilt-Edged	142.8	143.6
Industrials	157.5	154.6
Speculative	47.1	50.1
Totals	109.2	107.2

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)

	Equity groups	Fri. July 25 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Est. P/E Ratio (nil)	Thurs. July 24 Index No.	Wed. July 23 Index No.	Tues. July 22 Index No.	Monday July 21 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	107.64	+1.3	21.67	7.45	6.85	6.85	106.41	107.62	111.19	110.54	90.55	131.26	51.78	206.37	15.70
2	Building Materials (30)	89.66	+0.3	20.47	8.79	7.26	7.26	89.37	90.15	93.55	94.04	90.95	117.40	45.11	233.84	44.27
3	Contracting, Construction (23)	187.86	+0.1	19.24	4.91	7.82	7.82	187.71	193.02	200.51	201.22	150.56	[illegible]	[illegible]	[illegible]	71.48
4	Electricals (17)	207.49	+3.6	19.86	5.58	7.40	7.39	200.27	203.15	211.01	205.43	160.23	[illegible]	[illegible]	[illegible]	84.71
5	Engineering (Heavy) (13)	151.22	+0.5	26.79	8.13	5.69	5.69	150.59	152.86	154.32	153.69	105.50	[illegible]	[illegible]	[illegible]	64.39
6	Engineering (General) (65)	94.26	+1.5	25.15	8.64	6.38	6.28	93.01	93.49	96.45	95.69	75.87	[illegible]	[illegible]	[illegible]	45.43
7	Machine and Other Tools (9)	37.95	+1.9	18.55	10.86	9.80	9.80	37.23	38.32	39.17	38.90	32.65	[illegible]	[illegible]	[illegible]	19.96
8	Miscellaneous (23)	98.20	−1.1	24.92	7.88	5.99	5.99	99.34	100.17	102.49	102.41	84.00	[illegible]	[illegible]	[illegible]	49.65
9	CONSUMER GOODS (DURABLE) (59)	80.92	+0.7	24.58	7.58	5.95	5.94	80.38	81.87	83.32	82.75	76.04	[illegible]	[illegible]	[illegible]	38.39
10	Electronics, Radio TV etc. (15)	94.71	+1.2	21.42	5.60	6.91	6.90	93.54	95.41	97.60	96.45	89.71	[illegible]	[illegible]	[illegible]	42.85
11	Household Goods (15)	125.22	−0.5	33.43	8.22	4.37	4.37	125.92	126.74	127.08	127.50	121.40	[illegible]	[illegible]	[illegible]	63.92
12	Motors and Distributors (27)	42.55	+0.3	23.72	10.94	5.58	5.55	42.22	43.18	43.86	43.76	38.91	[illegible]	[illegible]	[illegible]	19.91
13	CONSUMER GOODS (NON-DURABLE) (167)	118.75	+1.2	16.92	7.08	8.47	8.44	117.38	119.00	122.69	121.15	97.36	[illegible]	[illegible]	[illegible]	61.41
14	Breweries (16)	132.33	+0.8	15.27	7.64	9.90	9.90	131.20	133.53	137.53	135.78	106.23	[illegible]	[illegible]	[illegible]	69.47
15	Wines and Spirits (7)	133.13	+1.4	14.60	7.51	10.33	10.33	131.34	130.48	137.92	135.95	126.75	[illegible]	[illegible]	[illegible]	78.88
16	Entertainment, Catering (16)	136.57	+1.7	16.22	8.14	9.19	9.19	134.42	135.46	141.82	139.11	100.47	[illegible]	[illegible]	[illegible]	54.83
17	Food Manufacturing (22)	126.33	−0.2	16.25	6.31	8.46	8.42	126.61	129.34	133.52	131.29	99.13	[illegible]	[illegible]	[illegible]	59.77
18	Food Retailing (16)	115.36	+0.7	15.67	5.57	10.66	10.66	114.51	115.43	117.04	115.61	88.54	[illegible]	[illegible]	[illegible]	54.25
19	Newspapers, Publishing (15)	121.29	+0.4	17.42	7.95	8.74	8.74	120.86	125.75	126.32	112.85	113.34	[illegible]	[illegible]	[illegible]	55.08
20	Packaging and Paper (13)	81.78	+0.7	26.99	8.99	5.43	5.44	81.22	82.71	84.97	84.35	74.60	[illegible]	[illegible]	[illegible]	43.46
21	Stores (30)	101.38	+1.4	14.94	5.44	10.58	10.58	99.99	100.77	103.55	101.49	82.90	[illegible]	[illegible]	[illegible]	52.63
22	Textiles (13)	120.54	+1.7	28.70	8.90	4.15	4.05	118.34	119.82	122.04	120.52	116.53	[illegible]	[illegible]	[illegible]	62.66
23	Tobacco (3)	180.55	+2.8	18.54	7.58	8.11	8.11	175.67	179.30	186.77	187.36	130.93	[illegible]	[illegible]	[illegible]	94.34
24	Toys and Games (6)	40.79	−0.5	32.08	8.87	4.26	4.28	41.00	41.22	42.02	42.47	36.00	[illegible]	[illegible]	[illegible]	20.92
	OTHER GROUPS (92)															
25	Chemicals (24)	158.13	+0.5	22.06	5.73	6.49	6.49	157.51	158.60	161.85	160.64	122.50	[illegible]	[illegible]	[illegible]	[illegible]
26	Office Equipment (10)	74.74	+1.6	19.23	6.37	7.16	7.18	73.55	76.77	76.91	81.16	90.76	[illegible]	[illegible]	[illegible]	[illegible]
27	Shipping (12)	325.51	+1.2	26.40	7.38	4.89	4.73	321.74	327.75	338.74	339.55	289.20	[illegible]	[illegible]	[illegible]	[illegible]
28	Miscellaneous (46)	122.93	+0.4	21.93	8.22	6.66	6.66	122.50	124.37	128.33	127.72	111.85	[illegible]	[illegible]	[illegible]	[illegible]
29	INDUSTRIAL GROUP (496)	117.49	+1.0	19.76	7.07	7.31	7.29	116.29	117.86	121.32	120.98	99.09	[illegible]	[illegible]	[illegible]	[illegible]
30	OILS (4)	276.40	+0.5	26.52	5.49	4.03	3.76	275.10	278.16	280.43	282.70	191.24	[illegible]	[illegible]	[illegible]	[illegible]
31	500 SHARE INDEX	130.63	+0.9	20.86	6.81	6.45	6.31	129.41	131.11	134.50	133.71	106.95	[illegible]	[illegible]	[illegible]	[illegible]
32	FINANCIAL GROUP (100)	116.94	+1.8	—	6.12	—	—	114.85	118.13	121.88	121.00	102.89	[illegible]	[illegible]	[illegible]	[illegible]
33	Banks (6)	133.37	+0.9	24.78	5.96	6.06	6.06	132.18	133.34	139.09	136.41	122.02	[illegible]	[illegible]	[illegible]	[illegible]
34	Discount Houses (9)	141.87	+0.1	—	8.53	—	—	141.76	140.84	149.65	149.08	133.57	[illegible]	[illegible]	[illegible]	[illegible]
35	Hire Purchase (5)	86.61	+0.1	28.17	10.33	4.72	4.33	86.49	90.02	92.95	93.91	137.35	[illegible]	[illegible]	[illegible]	[illegible]
36	Insurance (Life) (9)	99.38	+1.5	—	6.89	—	—	97.91	100.95	102.99	103.27	84.52	[illegible]	[illegible]	[illegible]	[illegible]
37	Insurance (Composite) (7)	98.37	+4.2	—	5.71	—	—	94.43	96.97	96.82	97.54	73.41	[illegible]	[illegible]	[illegible]	[illegible]
38	Insurance (Brokers) (8)	182.68	+0.4	11.14	4.63	13.35	13.35	181.86	185.55	188.51	190.19	133.41	[illegible]	[illegible]	[illegible]	[illegible]
39	Merchant Banks (19)	76.79	+0.6	—	6.96	—	—	76.37	79.71	81.80	81.50	84.75	[illegible]	[illegible]	[illegible]	[illegible]
40	Property (32)	147.34	+1.2	3.19	4.07	28.21	27.20	145.53	155.66	164.29	162.04	140.55	[illegible]	[illegible]	[illegible]	[illegible]
41	Miscellaneous (5)	63.79	−3.1	17.74	10.40	8.31	8.22	65.86	65.86	67.55	68.06	74.30	[illegible]	[illegible]	[illegible]	[illegible]
42	Investment Trusts (50)	146.71	+0.1	3.38	4.68	29.55	29.55	146.59	151.17	154.30	154.62	116.95	[illegible]	[illegible]	[illegible]	[illegible]
43	ALL-SHARE INDEX (650)	127.89	+1.1	—	6.54	—	—	126.56	128.63	132.06	131.91	105.94	[illegible]	[illegible]	[illegible]	[illegible]
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	404.48	+0.5	14.05	8.14	10.35	10.28	403.15	407.95	404.42	406.80	318.45	[illegible]	[illegible]	[illegible]	[illegible]
45	Teas (10)	100.43	—	36.12	10.94	3.86	3.69	100.43	101.12	102.28	102.98	86.16	[illegible]	[illegible]	[illegible]	[illegible]
46	Coppers (3)	154.60	—	55.38	21.30	1.61	1.61	154.60	154.60	180.77	149.52	401.49	[illegible]	[illegible]	[illegible]	[illegible]
47	Mining Finance (11)	120.50	−0.2	10.19	4.39	10.78	10.76	120.50	121.41	120.89	120.18	98.69	[illegible]	[illegible]	[illegible]	[illegible]
48	Tins (8)	91.19	−1.7	11.18	9.09	11.52	9.89	92.76	92.63	91.67	92.94	73.07	[illegible]	[illegible]	[illegible]	[illegible]
49	Overseas Traders (13)	202.48	+0.7	17.13	4.89	7.44	7.46	201.11	206.66	210.06	210.90	114.55	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	Fixed interest	Friday, July 25 Index No.	Day's change %	Thurs. July 24	Wed. July 23	Tuesday July 22	Monday July 21	Friday July 18	Thurs. July 17	Wed. July 16	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	—	13.89	13.99	14.08	13.98	13.87	13.76	13.76	15.16	[illegible]	[illegible]	[illegible]	[illegible]
2	20-yr. Govt. Stocks (6)	50.39	+0.22	50.04	49.80	50.34	50.52	50.72	51.01	50.66	47.75	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	48.01	[illegible]	48.10	47.67	47.05	48.07	47.83	47.70	47.62	44.61	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trusts Prefs. (15)	46.90	[illegible]	46.51	46.29	46.25	46.25	44.80	46.56	46.28	46.08	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	66.62	[illegible]	66.68	66.02	66.70	65.94	64.39	66.06	68.71	57.15	[illegible]	[illegible]	[illegible]	[illegible]

MONEY + EXCHANGES

Minimum Lending Rate 11%

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

The Treasury bill rate rose sharply at yesterday's tender, by 0.9914 per cent. to 10.4407 per cent., and the Bank of England Minimum Lending rate was raised 1 per cent. to 11 per cent. The minimum accepted bid was £97.39, compared with £97.64 the previous week, and bids at this level were met as to 53 per cent. The £300m. bills tendered and allotted attracted bids of £669.5m. All bills offered were allotted, while next week £350m. will replace £275m.

Day-to-day credit remained in very short supply, and the authorities once again gave an exceptionally large amount of help. This was by very large purchases of Treasury bills and Corporation bills and also by lending a large amount to three or four Discount houses, over the week-end at Minimum Lending Rate of 10 per cent. Maturing Treasury bills were in the market's favour, but this was outweighed by: a large excess of revenue transfers to the exchequer over Government disbursements, a rise in the note circulation, and repayment of the previous day's official loans.

Discount houses paid 9½-9¾ per cent. for secured call loans at the start and at the close rates were in the range of 8 per cent. to 9 per cent. Short-term interest rates were easier in most cases, with the two-month sterling certificate quoted at 10⅝-10½ per cent., against 10⅞-10¾ per cent., and the 12-month at 11⅛-10⅞ per cent., against 11½-11 per cent.

July 25 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ♦	Bank bills ♦	Fine trade bills ♦
Overnight	—	9-9¾	—	—	—	9½-10	8-9¾	—	—	—
2 days notice	—	—	10-10⅛	—	—	—	—	—	—	—
†7 days or 7 days notice	—	9⅞-10⅛	10⅛-10¼	—	—	—	9-9⅛	—	—	—
One month	10⅝-10½	10½-10⅝	10¼-10½	10⅞-10⅝	11¼-11½	—	9⅝	10¼-10⅜	10⅝-10½	10¾-11
Two months	10⅝-10¼	10¼-10⅜	—	10⅞-10⅝	11¼-11⅝	—	9½	10⅜	10⅝-10½	10¾-11
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Nine months	11⅛-10⅞	10⅞-11	—	11⅝-11⅛	—	—	—	—	—	—
One year	11⅛-10⅞	10⅞-11⅛	11¾-11⅞	11⅞-11⅝	—	—	—	—	—	—
Two years	—	11⅛-12	12⅝-12¾	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice; others seven days' fixed. Long-term local authority mortgage rate nominally three years 13½-14 per cent.; four years 14-14¼ per cent.; five years 14-14¼ per cent. ♦ Bank bill rates in table are buying rate for prime paper; buying rates four-month bank bills 10⅝-10⅝ per cent., and four-month trade bills 11⅛ per cent. Approximate selling rates for one-month Treasury bills 10¼ per cent.; two-month 10 3/16 per cent. Approximate selling rates for one-month bank bills 10 3/16-10¼ per cent.; two-month 10½ per cent.; for one-month trade bills 10¾ per cent.; two-month 10¾-11 per cent.; and three-month [illegible]

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from [illegible]. Rates for small sums at seven days' notice 6¼ per cent. Clearing Banks Base Rates for lending [illegible] per cent. Treasury Bills: Average tender rate of discount 10.4407 per cent.

EXCHANGES AND BULLION

The U.S. dollar closed easier on balance against major currencies in the foreign exchange market yesterday after quiet trading, due mainly to the depressing effect of the U.S. trade figures expected on Monday.

Sterling opened against the dollar at $2.1775-2.1785, and after falling to $2.1770-2.1780, the pound reached $2.1805-2.1815, before easing at the close to $2.1785-2.1795 against the previous $2.1795-2.1805. The pound's trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) eased to 25.9 per cent. from 25.8 per cent. previously, having stood at 25.9 per cent. at noon and 25.8 per cent. in early dealings. The dollar's trade weighted average depreciation against 14 units since the Washington Agreement, as calculated by Morgan Guaranty of New York at noon rates, eased to 3.59 per cent. from the previous 3.52 per cent. Sterling's depreciation on a similar basis widened to 31.30 per cent. from 31.14 per cent.

Gold improved $1.05 closing at its best of $165.8-166.8 in a day of quiet trading. The krugerrand for domestic delivery closed at $176-178 (£80¾-81¾) compared with $173½-175½ (£79¼-80½).

EXCHANGE CROSS-RATES

July 25	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.6215-35	58.50-60	6.72-73	5.485-605	96.85-95	94.85-95
N. York	38.75-78	—	23.21-23	2.6648-72	2.1815-1825	38.47-49	37.67-69
Paris	170.65-10	4.3100-225	—	11.4725-9750	9.398-422	165.2-.8	161.85-2.25
Brussels	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

U.S. $ in Montreal. U.S. $ = 102.23-102.24 Canadian cents. Canadian $ in New York. [illegible] Sterling in Milan 1433.70.

EURO-CURRENCY INTEREST RATES*

Euro-French deposit rate short-term 7-7½ per cent.; seven days' notice 7-7½ per cent.; one-month 7⅝-8 per cent.; three months [illegible]; six months [illegible] per cent. Long-term Eurodollar deposits: two years 9⅝-9⅞ per cent.; three years [illegible]; four years [illegible]; five years [illegible]. The following nominal rates were quoted for London dollar certificates of deposit: one month [illegible]; three months [illegible]; six months [illegible]; one year [illegible]. * Rates are nominal closing rates. † Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

FORWARD RATES

Six-month forward dollar [illegible] pm and 12-month [illegible] pm.

OTHER MARKETS

‡ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ♦ Rate given is the commercial rate. Financial francs [illegible].

FOREIGN EXCHANGES

* Rates given are for convertible francs. Financial francs [illegible].

BASE LENDING RATES

Bank	Rate
AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10 %
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10 %
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	*9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	9½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Knowsley & Co. Ltd.	11½%
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
National Westminster	9½%
Northern Comm. Trust	10½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'ces.	9½%
Royal Trust of Canada	10½%
Schlesinger Limited	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	11 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6½% and over £25,000 7½%.
‡ Deposit Base Rate 6½%.
§ Demand deposit 7½%.

T.S. INDEX: GOLD 165-168

CORAL INDEX: Close 283-288

INSURANCE BASE RATES

† Atlantic Assurance ... 11½%
Cannon Assurance ... 8¾%
* Address shown under Insurance and Property Bond table.

GOLD MARKET

هكذا من الأصل

AUTHORISED UNIT TRUSTS

The British Life Office Ltd.♥ (a)

Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	34.7	36.1	+0.2	6.09
BL Balanced*	27.1	28.7	.....	6.67
BL Capital*	28.4	30.1	.....	4.51
BL Dividend*	25.2	26.7	.....	9.13

*Prices on July 23. Next dealing July 30.

G. & A. Un. Tst. Mgrs. Ltd. (a) (g)

8, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	20.4	21.8	+0.1	6.00

Gartmore Fund Managers♥

2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	29.3	31.5	+0.2	4.55
High Income Tst.	27.6	29.7	+0.1	12.90
(Z)Overseas Tst.	24.1	25.9	−0.1	1.67

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	.....
Ash Spinning	36	.....
Bertam	16½	−½
Brady (G.) 'A'	45	.....
Bdg'wtr Est. 50p	105	−15
Clover Croft	35	.....
Craig & Rose £1	310	.....
Dyson (R.A.)	30	.....
Ellis & McHdy.	57	.....
Evans Fr'k. 10p	36	.....
Evered	14½	.....
Fife Forge	47	.....
Finlay Pkg. 5p	16	.....
Frost & Reed 50p	85	.....
Gardiner & Sons	11	.....
Gardner (L.)	62	.....
Graig Ship. £1	430	−20
Hallam Sleigh 10p	6½	.....
Higsons Brew.	83	.....
I.O.M. Stm. £1	120	.....
Holt (Jos.) 25p	185	.....
Kleen-e-Ze	24	.....
Lovell's Ship £1	130	.....
N'thn. Goldsmith	90	.....
P.M.A.	34	−1
Pearce (C. H.)	60	.....
Peel Mills	16	.....
Richards 10p	7½	−½
RobbCaledon5p.	28	.....
Sayers 12½p	6	.....
Sheffield Brick	60	.....
Sheff. Refrshmt.	142	−1
Shiloh Spinn.	23	.....
Sindall (Wm.)	43	.....

IRISH

Alliance Gas (£1)	50	.....
Carroll (P. J.)	109	.....
Clondalkin	49	.....
Concrete Prods.	55	.....
Goodbody (£1)	98	.....
Heiton (Hldgs.)	30	.....
Irish Distillers.	63	+1
Irish Wire	40	.....
Jacob	50	.....
Sunbeam	9	−2
Unidare	65	.....

BUILDING SOCIETY RATES

	Dep.	Share Accnts.	Sub'pn Shares	Variable Term Shares
Abbey National	6.75%	7.00%	8.25%	●8.00%
Alliance	6.75%	7.00%	8.25%	‡‡7.75%
Anglia	6.75%	7.00%	8.25%	‖7.75%
Birmingham Incorporated	6.75%	7.00%	8.25%	—
Bradford and Bingley	6.75%	7.00%	§8.25%	—
Bristol and West	6.75%	7.00%	8.00%	—
Bristol Economic	6.75%	7.00%	8.25%	†7.25%
Cardiff	6.75%	7.50%	8.50%	—
Chelsea	6.75%	7.00%	9.00%	†7.25%
Cheltenham and Gloucester	6.75%	7.00%	—	‡7.75%
Citizens Regency	6.75%	7.25%	8.75%	—
City of London	7.00%	8.00%	8.50%	—
City and Metropolitan	6.75%	7.25%	7.50%	¶8.00%
Coventry Economic	6.75%	7.00%	8.75%	§§7.75%
Gateway	6.75%	7.00%	8.25%	¶7.75%
Greenwich	6.00%	7.10%	8.50%	—
Halifax	6.75%	7.00%	7.50%	¶7.75%
Hastings and Thanet	6.75%	7.00%	8.25%	—
Hearts of Oak & Enfield	6.75%	7.25%	8.50%	—
Hendon	7.00%	7.30%	—	*8.05%
Huddersfield and Bradford	6.75%	7.00%	8.50%	♡7.75%
Leamington Spa	6.87%	7.12%	9.50%	7.50%
Leeds and Holbeck	6.75%	7.00%	8.00%	—
Leeds Permanent	6.75%	7.00%	8.25%	—
Leek Westbourne and ECBS	6.75%	7.00%	8.25%	¶¶7.75%
Leicester	6.75%	7.00%	8.25%	††7.75%
Liverpool	6.75%	7.00%	8.30%	*7.50%
Magnet	6.75%	7.00%	7.75%	♡7.75%
Mornington Permanent	6.45%	7.65%	—	—
National Counties	7.00%	7.25%	8.25%	◇7.75%
Nationwide	6.75%	7.00%	7.50%	♧8.25%
Newcastle Permanent	6.75%	**7.00%	7.75%	8.00%
Northern Rock	6.75%	7.00%	8.00%	‡7.75%
North London	7.75%	8.25%	—	♧9.15%
Norwich	6.75%	7.00%	8.25%	—
Paisley	7.25%	7.00%	8.00%	¶¶7.50%
Portman	6.75%	7.00%	8.50%	◇8.25%
Property Owners	6.75%	7.50%	8.50%	†7.85%
Provincial	6.75%	7.00%	8.25%	7.75%
Skipton	6.75%	7.00%	7.25%	—
Sussex Mutual	6.25%	♦7.30%	—	—
Woolwich Equitable	6.75%	7.00%	8.25%	¶7.75%

* Minimum £2,000 6 mths. notice. † 3 mths. ‡ 3 yrs. § 3 yrs. including bonus. ¶ Min. £500 2 yrs. fixed. ‖ 4th issue 2 yrs. ● 2 yrs. over £5,250. ** 7.50% over £5,000. †† 2-3 yrs. ‡‡ 2 yrs. §§ 7.50% 3 mths. notice after 9 mths. ¶¶ 2 yrs. £1,000 min. ‖‖ 2 yrs. £2,000 min. ◇ 2 yrs. £3,000 min. ♡ Min. £100 2 yrs. fixed. ◇ Min. £1,000 6 mths. notice. ♧ 3 yrs. over £5,000. ♦ 7.80% over £5,000.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barking (01-592 4500)	11½	½-year	1,000	2-5
Burnley (0282 25011)	12	½-year	1,000	3-5
Dartford (27260)	12¼	½-year	5,000	2-5
Dudley (0384 211595)	12¼	½-year	1,000	3-4
Greenwich (01-854 8888)	12	½-year	500	3-5
Liverpool (051 227 3911)	12	½-year	500	3-4
Liverpool (051 227 3911)	12½	½-year	500	5-7
Redbridge (01-478 3020)	12¼	½-year	2,000	3-5
Sandwell (021 569 2226)	12	½-year	1,000	2-5
Sefton (051 922 4040)	13	½-year	2,000	3-5
Thurrock (0375 5122)	11	½-year	300	1-2
Wandsworth (01-874 6464)	12½	½-year	5,000	4-5
Wandsworth (01-874 6464)	12¼	½-year	1,000	4-5

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

S. G. Warburg & Co. Ltd.

30, Gresham Street, EC2. 01-600 4555

CMT Ltd. Jne 28	£10.61	10.88	.....	—
Conv. Bond July 24	US$8.33		−0.04	—
Energy Int. July 24	US$12.64		−0.04	—
Grsh. St. $Fd. Jn30	US$7.52		.....	—
TMT Ltd. July 10	£11.74	12.05	.....	—

World Wide Growth Management♦

10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd.	US$11.82	−0.22	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. ‡ Suspended. ★ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	94⅜	Exch.6½pc 1976‡‡	97⅞	+⅛	6.64	10.19
97¼	92⅛	Treasury 6½pc 1976‡‡	96	+⅛	6.75	10.29
99	97	Victory 4pc 1976‡‡	99	......	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	99⅛	+⅛	10.57	10.95
95	88⅞	Treasury 6¼pc 1977‡‡	93	+⅛	6.69	10.73
94½	86¼	Electric 3pc '74-77	92½	......	3.24	7.97
103	96⅞	Treasury 11½pc '77‡‡	100	+⅛	11.45	11.22
88	84	Treasury 3pc '77‡‡	87	+¼	3.42	8.96
90½	84⅞	Transport 4pc '72-77	88¼	......	4.51	9.33
96	90½	Treasury 9pc 1978‡‡	93⅞	+⅛	9.59	11.65
100	96⅝	Treasury 10½pc '78‡‡	97	+⅛	10.82	11.71
87⅞	79	Exchequer 5pc '76-78‡‡	85¼	+¼	5.86	10.59
103	94	Treasury 11½pc '79‡‡	98	+⅛	11.62	11.84
79⅜	71⅞	Treasury 3pc '79‡‡	78¼	+⅛	3.83	9.46
81	73⅞	Electric 4¼pc '74-79	79½	+⅛	5.35	10.47
100	95	Treasury 10½pc '79‡‡	96⅛	+⅛	10.92	11.64
79⅜	71	Electric 3½pc '76-79	78½	+⅛	4.46	9.72
95	84	Treasury 9pc 1980‡‡	90⅞	+⅛	9.90	11.59
95	93¼	Treasury 9½pc '80‡‡	93¼	−¼	10.19	11.35
79	68¼	Treasury 3½pc '77-80	76¼	......	4.59	9.71
84½	71	Funding 5¼pc '78-80‡‡	80½	+¼	6.52	10.43
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	74⅛	+⅛	4.71	9.57
91½	72⅞	Do 8½pc '80-82‡‡	85¼	+¼	9.95	11.76
104½	86⅝	Treasury 12pc 1983‡‡	102¾	+¼	12.20	12.31
78	58	Funding 5½pc '82-84‡‡	74⅜	+⅛	7.41	10.10
85¼	61⅛	Treasury 8½pc '84-86‡‡	81⅛	+¼	10.47	11.56
73¼	51⅛	Funding 6½pc '85-87‡‡	70⅞	+¼	9.38	11.26
76¾	53	Treasury 7¾pc '85-88‡‡	72⅜	+¼	10.71	12.09
47⅛	32⅞	Transport 3pc '78-88	46⅜	+⅛	6.46	10.77
56¼	39¼	Treasury 5pc '86-89	55¾	+⅛	9.20	11.64
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	71⅞	+⅛	11.63	12.62
57	41⅛	Funding 5¾pc '87-91‡‡	56½	+⅛	10.51	12.34
97½	85⅞	Treasury 12½pc '93‡‡	91⅝	+⅝	13.71	13.83

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 55⅞% (based on $2.1867 per £)

CANADIANS

S.E. List Premium 55⅞% (based on $2.2304 per £)

Conversion factor 0.6410 (0.6410)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

هكذا من الأصل

INDUSTRIALS—Continued

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
38	20	Johns'n & R. 12½p	28	......	d1.47	3.1	8.1	(10.7)
46	20	Johnson Clrs.	31	+3	2.18	1.6	10.8	8.7
345	120	Johnson Mth. £1	263	−2	10.23	4.9	6.0	5.2
41	18	Judge Int.	27	......	1.90	3.6	10.8	4.0
27	14½	Kalamazoo 10p	20	......	1.62	2.7	12.5	4.6
47	20	Kelsey Ind. 12½p.	34	......	d2.47	4.7	11.2	2.9
20	9	Kennedy Sm. 10p.	17	......	1.44	1.8	13.0	11.4
870	325	Kershaw (A.) 5p	650	......	12.01	0.7	2.8	109.9
200	66	Kleeman	180	......	3.89	4.1	3.3	11.3
39	15	Kode Int.	26	......	1.23	3.5	7.3	6.0
59	24	L.C.P. Hlds.	45xd	......	2.89	2.5	9.9	6.1
21	11	L.K. Ind. Inv.	18	......	d1.96	1.8	16.8	5.1
30	13½	L.R.C. Int. 10p.	22	−1	2.0	ϕ	14.6	ϕ
101	56	Lamson Inds.	67	......	2.74	3.5	6.3	6.5
40	29	Lawtex	29	......	2.58	4.2	13.7	2.2
118	48	Lead Inds. 50p	93	......	4.69	5.9	7.8	3.4
40	17	Le Bas (Edi)	33	−4	1.36	6.9	6.5	3.5
38	15	Lebuff Fobel 10p.	28½	......	†1.48	4.3	8.0	7.9
43	19	Letus Harris	30	......	2.0	0.2	10.3	—
21	12	Leigh (L.) 5p	21	......	0.73	5.8	5.4	4.9
73	35	Leisure Car. 10p.	70	......	4.42	ϕ	9.7	ϕ
168	59	Lep Group 10p	156	+2	2.36	9.4	2.3	5.4
27	12	Lesney Prods. 5p.	19	......	0.78	7.0	6.4	2.9
43	13	Letraset 10p	30	+½	1.23	6.8	6.3	2.8
20½	5½	Liden 10p.	13	−1	0.17	2.4	2.0	26.2
45	17	Light & Leis. 10p.	33	......	g2.36	3.6	11.9	4.0
50	35	Lindsay & Wms.	40	......	3.06	3.6	11.8	3.6
62	28½	Linduslries	50	......	†3.76	3.4	11.8	3.6
51	33	Lipton (L.)	43	......	2.4	3.9	8.6	4.6
47	11	Lloyds Ind. 10p	35	......	3.0	2.0	13.2	5.9
45	15¼	Lon. & Nthn. Sec.	32	+1	3.35	1.7	16.1	5.5
15	8	Long Hmbly. 10p.	10	......	1.17	3.8	18.0	2.2
26	19	Longton Trans.	22	......	2.64	‡2.3	18.4	3.6
65	28	Lonsdale Univsl.	45	......	3.63	3.3	12.4	3.7
195	82	Low & Bonar 50p.	155	......	8.31	3.8	8.2	4.6
24	14	Lyon & Lyon	17	......	1.89	1.7	17.2	5.2
52	18	MK Refrig'n 10p.	26	......	2.31	3.8	14.2	2.8
38	18	M.Y. Dart. 10p	24	−1	1.28	3.8	8.2	4.9
25	11½	Macanie Ldn. 10p	15	......	1.47	1.8	15.1	5.5

INDUSTRIALS—Continued

1975 High	1975 Low	Stock	Price	+ or −	Div Net
15	11	Wood & Sons 5p	11	−1	0.49
13½	7	Wood (Arthur) 5p.	12	+2	0.67
13	8	Wood (W.) 10p	11	......	‡0.87
99	29	Wood Hall	82	−1	‡4.03
7¼	4	Yatton Furn. 5p	6¼xd	......	ϕ0.34
27½	14	Zetters 5p	18	−1	0.89

††INSURANCE

1975 High	1975 Low	Stock	Price	+ or −	Div Net
65	30	Brentnall Bd. 10p	55xd	......	†2.92
154	60	Britannic 5p	122	−2	7.0
970	440	Comb. Ins. Am.$1	787	−3	†Q60c
194	72	Comm. Union	147	+6	6.85
148	44	Eagle Star	110	+3	4.6
186	50	Equity & Law 5p.	140	+4	5.1
174	67	Gen. Accident	140	+2	5.4
224	83	Guardian Royal	175	+1	7.75
180	54	Halford Sh'd 10p.	175	......	5.44
232	82	Heath (C.E.) 20p	200	......	6.1
152	47	Hogg Robinson	120	......	3.66
138	30	Howden (A.) 10p	118	+3	2.17
*142	43½	Legal & Gen. 5p	106xr	+3	‡4.36
125	33	Lon. & Edwn. 10p.	103	......	3.39
143	48	Lon. & Man. 5p	100	+2	4.35
178	63	Matthew Wr. 20p.	152	−4	7.39
158½	49½	Minet Hldgs. 20p.	130	......	h2.16
240	93½	Pearl 5p	190	+4	9.6
*230	87	Phoenix	196xr	......	18.23
130	60	Provident "A"	110	......	6.13
125	60	Do. "B"	110	......	6.13
142½	52	Prudential 5p	112	+1	†5.07
130	48	Refuge "B" 5p	110	......	6.25
339	125	Royal	264	+2	12.55
250	99	Sedg. Forbes 10p.	220	......	†7.32
82	29	Stenhouse	68	+1	3.12
454	175	Sun Alliance £1	382	+7	G15.38
93	32	Sun Life 5p	73	+1	†2.67
870	575	Tab. Mar'e EDR.	700	−5	Q11%

MOTORS, AIRCRAFT TRADES

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

TRUSTS—Continued

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

MINES

TINS

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
75	51	Tongkah Hb SM1	51	......	†Q30	1.3	[illegible]
93	42	Tronoh	63	......	4.02	3.5	9.8

COPPER

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	56	Botswana RST P2	88	−1	—	—	—
390	196	Messina R0.50	320	......	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	58	−1	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	650	......	‡Q130c	2.2	‡
53½	29½	Laurasia	43½	−1	—	—	—
19	11	NRD $1	11	......	—	—	—
375	200	Northgate C$1	280	−5	Q65c	1.0	10.0
211	80	R.T.Z.	173	......	19.9	4.4	4.5
135	47½	Sabina Inds. C$1	75	−2½	—	—	—
81	51	Stanford Mines ‖	76	......	—	—	—
£12½	875	Tara Explo. $1	£10½	−⅛	—	—	—
78	38	Yukon Cons C$1	67	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ∆ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

FINANCIAL TIMES

Saturday July 26 1975

MAN OF THE WEEK

He is a dealer in billions

BY MARGARET REID

A KEY figure in the City, but one little known to the public at large, Mr. Tommy Gore Browne, the Government Broker, has already this year set new records in two major contexts.

In less than seven months of 1975, he has, on the Bank of England's behalf, sold no less than £5.35bn. of new Government gilt-edged stocks to the banks, institutions and private investors. At the same time, with his close colleague, the Second Government Broker, Lord Cromwell (no relation of the Lord Protector), he has smoothly marshalled the queue of companies which have tapped the market for a record £840m. of cash through rights issues.

Formally, the title of Mr. Gore Browne, 57, and senior partner in Mullens and Co., the Government's brokers for nearly two centuries, is First Broker to the Commissioners for the Reduction of the National Debt.

There is a certain irony in this designation, reflecting the thrifty ambitions of our ancestors, since the National Debt now totals £31.3bn. and all thought of anything but its continuing increase has long been abandoned.

Record sales

This year the debt has been rising particularly strongly, with the Budget deficit of at least £9bn. needing to be financed. Fortunately, the appetite of institutional and other investors, encouraged by falling interest rates, high cash holdings in the economic recession and recent anti-inflationary policies, has been enough to absorb a record number of new gilt-edged "tap" stocks.

This was underlined last week by the case of the "tap" stock that never was, the Treasury 13¼ per cent. Loan 1997 which, almost unprecedently, was so fully taken up on offer that there was too little left for the Broker to put any on sale subsequently.

A courteous figure who joined Mullens 27 years ago with a traditional background of Eton, Cambridge and the Grenadier Guards, Mr. Gore Browne describes his primary task as Government Broker as "to maximise the desire of investors to hold British Government debt." But he stresses that he is not a policymaker and must work within the ambit of official economic policy—an understandable qualification since in 27 years long-term interest rates have soared from 3 per cent. to over 13 per cent. War Loan, for instance, has dropped in the period since 1948 to 25¾ from over 100.

He also says that it is not his job to keep the market up at times when it should go down. "Our role is to preserve an orderly market so that holders of gilts can deal either way."

Much of the Government Broker's operations consist of facilitating "switching," the normal trend being the selling of longer term stocks and buying of shorter ones. From 1971, the official policy has been that the Broker no longer stands ready to absorb any offered stock on a falling market as a buyer of last resort, and that he should only be a net buyer at times in line with Bank of England decisions. But the market seems to have adjusted to this change with its usual adaptability.

Communication

Apart from his operations in gilt-edged stock, and investment of certain official funds—roles without parallel abroad and meaning turnover in quite a number of billions of pounds a year—the Government Broker's task is to keep communications open between the stock market and the Bank of England. He and Lord Cromwell usually visit the Stock Exchange floor, top-hatted, three or four times a day and the Bank of England as often. But with the substitution of the Bank of England's minimum lending rate—up 1 per cent. to 11 per cent. yesterday—for the old Bank Rate, he no longer announces changes in the rate personally.

For his role in his very large dealings, the Broker receives a long-unchanged fee of £2,000 a year. Naturally, this is not his full remuneration, though the rest of the payment to Mullens for the task performed is on a scale greatly reduced for quantity.

"I get a commission—but it's a very, very much smaller one than the normal rate," he says. "Turnover is fantastically large—we have a special dispensation from the Stock Exchange to charge a very much reduced rate to the Bank of England."

Does the job of Government Broker, with its close official links and burden of secrets make for a lonely life? Says Mr. Gore Browne, viewed as a warm and friendly colleague despite his reserved official image: "Difficult? No. You find a way of knowing things and keeping a straight face."

Gomes plea to 'slow down revolution'

BY JANE BERGEROL

LISBON, July 25.

PRESIDENT COSTA GOMES, of Portugal pleaded to the Armed Forces General Assembly to-day for a slow-down in the revolution. He criticised the Armed Forces Movement's past mistakes and made an open bid for unity within the movement and in the country as a whole.

His new, moderate reflections on the state of the revolution may not be enough, however, to prevent anti-Communist Party officers on the Supreme Revolutionary Council from continuing to oppose General Vasco Goncalves as Prime Minister.

Seven such leading officers failed to attend the Assembly meeting; one other had his resignation from the council turned down.

The General Assembly was due to discuss formation of a "directorate" within the Supreme Revolutionary Council, which would be delegated "full powers" by the council. Those expected on the new restricted supreme body are Gen. Costa Gomes, Gen. Vasco Goncalves, Gen. Tee Otelo Saraiva de Carvalho (Copcon's security chief), and the three chiefs of staff of the armed forces.

It was also to discuss a political and economic plan for transition to Socialism, which provides for formation of a "united popular front" for the revolution, behind the AFM.

This would be the first formulation of the single-party idea to accompany the military "direct democracy" plan, but a guiding document under discussion emphasises the front must encourage different socialist tendencies

The President's speech must be seen as an attempt to reassret the authority of AFM's three-strong men.

At the same time, he is seeking to formulate a coherent programme which both reaffirms the path to socialism via "direct democracy," but also slows the process to a pace acceptable to the Portuguese people and to Western countries "which we cannot afford to have turn against us."

President Costa Gomes bluntly told the 240-officer General Assembly: "We humbly see that almost all the people were with the revolution, but to-day this is no longer so. The revolution has accelerated at a pace the people cannot match.

"I ask the Assembly, should we mark time and wait for those behind to catch up or should we accelerate the advance of the front line which will then peel away from the marching columns?"

The President's strategy over the last few weeks has now been clarified. While he is intent on clearly defining Portugal's political future, which is to lead to socialism via the people's workers and neighbourhood organisations and people's assemblies, he is also seeking to reinstate authority and orderly government in Portugal by enhancing the importance of Portugal's three-strong generals

● Adrian Dicks reports from Washington: The Secretary of State, Dr. Henry Kissinger, disclosed to-day that the U.S. has told the Soviet Union that it regards intervention in Portuguese internal politics as "incompatible with the spirit of a relaxation of tensions."

He said that President Ford would bring the matter again to the attention of the Soviet Government next week in Helsinki.

Consumer Council director quits

BY ELINOR GOODMAN

THE NATIONAL Consumer Council, set up only seven months ago as "a partisan voice" for the consumer, and financed by the Government, has lost its first director.

Mr. Tony Kershaw, a former marketing man, has left abruptly after a clash with Mr. Michael Young, the Council's chairman.

Mr. Young, long associated with the consumer movement in this country, confirmed yesterday that Mr. Kershaw had left, but would make no further statement. Mr. Kershaw, who is understood to have left the NCC three days ago, had gone on holiday.

The split is believed to follow several months of friction between Mr. Kershaw and other members of the Council.

Subsidies plan

Only eight days ago, however, Mr. Kershaw appeared with Mr. Young at a Press conference presenting the Council's submissions on the Government's White Paper on inflation.

Mr. Kershaw, appointed after a long search by Mr. Young and the Department of Prices and Consumer Protection, joined the NCC from the Co-operative Wholesale Society, where he had been marketing manager of the non-food division for a little over a year.

His job has been taken over by his deputy, Mr. John Hosker, who came to the NCC from the Consumers' Association, founded by Mr. Young.

THE LEX COLUMN

Cost pressures on the clearers

Yesterday's one-point rise in MLR to 11 per cent. had been so clearly signposted that there was scarcely any reaction when it became fact. There has still been nervous gossip about exactly why the Bank of England decided to make such a move at this stage, when on the surface sterling has shown no new reason for concern. At any rate, the gilt-edged market has begun to recover its poise, but with the new Treasury 13¼ per cent. loan ⅜ below its issue price there are still plenty of positions to be unwound and there was general relief that the Government Broker decided not to launch a new tap yesterday. If the general impression that the rise in short rates is only temporary proves correct, he will have ample opportunity to sell more stock as rates decline again.

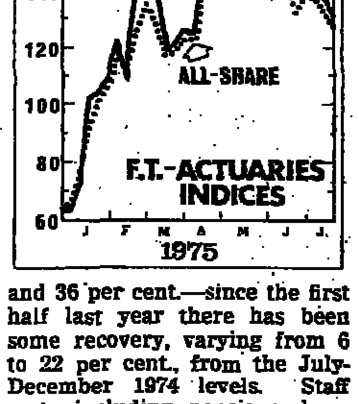
Equities still present a dismal picture, having fallen 12 points on the week and 27 points on the account. This is more a case of stagnation than of distress, with bargains marked this week dropping to the year's lowest level: the 30-Share Index has now made no overall progress since March. At the moment it is hard to see where any new source of enthusiasm can be found. Although the basic foundation for a bull market still exists, the sheer weight of new issues, both in gilts and equities, is providing a serious challenge.

Two banks

With three results now declared, the Big Four clearing banks' results season is following a fairly consistent pattern, and there are no major developments such as rights issues to complicate matters even though the rise in MLR does pose one or two new questions about the immediate future. Yesterday's figures were very much in line with expectations—both Lloyds and Midland showed pre-tax declines of 38 per cent. against the January-June 1974 levels, showing £47.4m. and £41.5m. respectively. Only Midland has decided to make any additional provisions this time, and just £2.5m. at that; these two banks have substantially less property exposure than NatWest, which provided an extra £18m. on Tuesday. But Lloyds shows some of the scars of problems at its Grindlays associate, with its overall share of profits at associates down from £4.9m. to losses of £2.2m. And until the Grindlays situation is fully resolved the market may continue to be affected by the chance of a Lloyds rights issue, though the possibility has receded.

Index rose 3.3 to 286.7

The best way to assess recent trends among the clearers is to look at trading profits before associates and special items. Although these have dropped substantially—by between 30



and 36 per cent.—since the first half last year there has been some recovery, varying from 6 to 22 per cent., from the July-December 1974 levels. Staff costs including pensions, have been little changed over the last two consecutive half-years, and although total resources have not grown much (and indeed have recently fallen slightly at Midland) there has been a favourable trend in the deposits mix. Expensive money market deposits have fallen back sharply, but current accounts and seven-day branch deposits have increased. This has helped profitability, especially as the opportunity in the past few months has been taken to widen the margin between base rates and seven-day deposit rates.

In the second half of this year, however, the banks will feel the impact of the 22½ per cent. salary rises effective from the beginning of this month. This will put domestic profits under another cloud; the current interest rate upturn is not expected to last long, and the banks reckon loan demand will remain sluggish. But overseas earnings appear to be reasonably buoyant, while the bad debt problem at home should recede further, so the overall profits decline between the first and second halves of 1975 may not be much more than a tenth or so. Barring further rights issue stories clearing bank shares should perform roughly in line with the market.

See also Page 16

Fodens

The City may indeed have been "willing to fall over backwards" to keep Fodens out of State hands. But it would be quite unrealistic to think that the sub-underwriters of the £3.1m. rights issue—many of whom are already shareholders—are acting out of philanthropy. The issue takes the form of convertible redeemable preference shares, with a net yield of 10 per cent., so anyone who can take full advantage of franked investment income gets an immediate gross return of over 20 per cent. The new money will increase net worth by two-fifths—in return for three-fifths of the equity after conversion.

That balance is probably fair enough, since the whole group was only capitalised at £1.1m. when the shares were suspended in February. But the shares would, apparently, have been worthless in a liquidation. So the institutions are effectively being offered an option on the survival of a company which, after the issue, will have shareholders' funds of £10.7m. and plenty of leeway on its overdraft facility of £6m.

For ordinary shareholders, however, the returns and the risks may look rather different, and the Board's advice on the rights is noticeably equivocal. Fodens is currently making small losses, and its borrowings are still rising. Although it hopes to be breaking even soon, it is not looking for any worthwhile turnround within the next 18 months. This hesitation about profits contrasts strikingly with Fodens usual sunny optimism.

Moreover this is a cash hungry business. It has already had two rights issues over the last 11 years, and net cash flow of just £3.7m. has run £6.2m. short of cash requirements over the past three years. Even if the group had spent nothing at all on fixed assets, there would still have been a cash shortfall. So shareholders would be unwise to stretch themselves in order to avoid dilution.

See also Page 16

British Rail slims services

BY ARTHUR SMITH

COST-CUTTING measures to keep British Rail's financial position "under control" were spelt out yesterday by Mr. Richard Marsh, the chairman.

Passenger services were being slimmed down wherever possible, and freight-train mileage had been cut by 10 per cent., he told reporters in London. BR might consider closing "lightly-used" lines, and other services might be cancelled or thinned out, but there was no question of mass closures.

Discussing the heavy losses by BR in 1974, Mr. Marsh said that the "real" burden on the public purse this year would, "if anything," be reduced. Total public support last year reached £394m., and he estimated that this year it would rise to £423m.

The forecasts were done quickly and could be "wildly out." His figures might be "nocked sideways" by the performance of the national economy, which would affect pressure on costs and income available to rail passengers.

Mr. Marsh's figures also take no account of the £90m. the Government will pay this year under the 1974 Railways Act to help fund railmen's pensions. BR will enjoy a revenue benefit of around £25m. to £30m. from a further capital reduction disclosed in the annual acounts.

After Government intervention to restrain prices charged by BR, it would take several years to get back to a realistic price base Mr. Marsh said. However, he acknowledged that consumer resistance was rising and that BR was "pushing up against the ceiling."

For this reason the 15 per cent. fares increase proposed for September 7 would be highly selective, with higher charges loaded on to the routes "which could withstand price rises."

An application for a further increase in freight charges from October was being prepared for the Price Commission, but even with the new tariff the service was expected to lose £70m. this year. The economic recession was hitting traffic. Steel carriage alone was 29m. tonnes less than forecast.

In reaction to the deteriorating financial situation BR had sought economies all this year. Recruitment of labour was cut and administrative procedures completely overhauled.

The tracklaying programme was being reduced, some 60 locomotives "mothballed," and between 600 and 700 passenger carriages withdrawn. With the help of the new computer control system and a 10 per cent. cut in freight-train mileage, it had also been possible to withdraw 30,000 freight wagons.

Mr. Marsh also touched on industrial disputes, though he was careful not to attribute blame. "Over the past two or three years, particularly in London and the South-East, we have had a great deal too much industrial disruption. It does not matter whose fault it has been.

"I do not think either the pocket or the patience of the commuter is inexhaustible." BR had to offer a reliable and consistently good service.

Week-end talks on Observer

By Our Labour Correspondent

WEEK-END MEETINGS of the Observer management and employees could determine the future of the newspaper which has been in jeopardy since the management announced last month a projected operating loss of £750,000 for the year and called for a 30 per cent. cut in manning levels.

There is, however, little optimism among national union officials in the industry several of whom say that it would be impossible to produce the newspaper on the manning levels demanded, even if the unions were to agreed to them.

The management remains hopeful that chapel (office branch) meetings to-day will result in further acceptance of voluntary severance among its 700 employees.

The National Union of Journalists has come forward with sufficient volunteers and the National Graphical Association has suggested cost saving ideas, including some reduction in the number of NGA members.

Mr. Joe Wade, NGA assistant general secretary, said that the proposals would not meet the management's demands as there was "no way a paper can be produced with those manning levels."

These sentiments are believed to be shared by national officials of the National Society of Operative Printers Graphical and Media Personnel (Natsopa). They therefore feel unable to go along with the company's demands although the final decision will be made by the workers themselves who meet this afternoon.

Should that meeting produce sufficient volunteers for redundancy it would be a major breakthrough for the management as Natsopa members represent a sizeable section of the labour force.

BSC warning of sacrifices

BY LORELIES OLSLAGER, LABOUR STAFF

SIR MONTY FINNISTON, chairman of the British Steel Corporation, yesterday warned trade union leaders that the corporation would be asking their members for considerable sacrifices next week to reduce labour costs further.

He stopped short of actually threatening forced redundancies or the closure of older steel works as some union officials had feared he might, but the measures he is considering seem to go well beyond what the unions have been willing to concede.

They are expected to include a call for more voluntary redundancies by older workers, and by people hwo have only recently joined the corporation, more worksharing and a greater flexibility in the handling of jobs.

In addition, BSC is seeking the elimination of the remaining overtime still being worked. The unions claim that five-sixths of overtime working has already been eliminated, leading to savings of £50m.

Finally, BSC wants to modify the existing guaranteed working week arrangements, under which steel workers receive 80 per cent. of their basic earnings whenever they cannot be employed on their normal job.

When Sir Monty announced on Tuesday that the corporation was losing £5m. a week, he complained that the six-point cost saving plan worked out with the unions in May had not produced the required results.

Privately, the corporation let it be known that savings were running at an annual rate of only £50m. instead of the £100m. the BSC was hoping for when the initial deal with the unions was made.

Sir Monty, who provoked an angry clash this year over BSC's call for some 20,000 redundancies because of the slump in the industry, is now seeking to achieve further economies with the co-operation of the unions rather than with a new confrontation.

That is why he asked a few union leaders to a brief informal meeting yesterday to prepare them for the requests which BSC will make when it meets the TUC steel committee for fully fledged consultations on Tuesday.

But the suggestion of a modification in the guaranteed working week could lead to an angry who in the past have made its defence one of the main planks in their platform, and who in effect are now seeking to improve its provisions.

According to the Iron and Steel Trades Confederation, the biggest steel union, the arrangement as it stands can cut up to £20 a week off the pay of a man earning £52 normally some £17 off a man normally earning £44, and £11 off those normally earning £38.

Workers at Port Talbot, a plant that is central to BSC's modernisation plans, have already gone on strike when local management tried to introduce a strict interpretation of the guaranteed working week. Unrest is also threatening other plants unless the minimum pay provisions are improved.

U.K. bid to limit imports of £260-a-ton sugar

BY PETER BULLEN

BRITAIN TOLD its Commonwealth sugar suppliers yesterday that it wants to import only 700,000 tons of sugar during the rest of 1975 at the special premium price of £260.

This was the price it agreed during the sugar shortage, when the world price ewas £360 a ton, to ensure the country's supplies for 1975. Now the world price is down to £195 a ton.

Over the past week African, Caribbean and Pacific developing countries which supply the sugar have accused Britain of trying to renege on its agreement to import 1.3m. tons of sugar under the EEC's Lomé Convention, as U.K. sugar importers have recently suspended some imports because of fears that some countries might over-supply their quotas.

Under the Lomé arrangements, the EEC has undertaken to import 1.3m tons a year of ACP sugar for an indefinite period at a price corresponding to the Community's sugar beet price. At the time of the agreement the U.K. was allowed to guarantee £260 a tonne—about £100 more than the Community price—in order to ensure its supplies during 1975.

It is the interpretation of these figures that is causing the present row. The ACP countries claim Britain should pay £260 a ton for the whole of the 1.3m. tons.

The British Government, though, has pointed out that the 1.3m. tons is tied to the EEC's sugar year, which runs from June, 1975, to July, 1976, whereas it has promised to pay the £260 a ton only for sugar shipped during 1975.

It says it would be unreasonable for the ACP countries to cram all their sugar shipments into the first half of the EEC sugar year just to qualify for the higher price. If they did that Britain would have no sugar supplies coming in from its traditional suppliers for the remaining six months of the sugar year up to July, 1976.

On the basis of the U.K. Government says it is prepared to pay £260 a ton for some 700,000 tons of the 1.3m. tons, in addition to the 332,500 tons already imported in the first half of 1975, also for £260 a ton.

Importers who suspended shipments of sugar until the Government announced the quantities it expected to receive in the coming months are now expected to resume imports. Several supplying countries, however, notably in the Caribbean, have warned that ACP suppliers might take joint action against Britain

Weather

U.K. TO-DAY

DRY, SUNNY, in South and Midlands. Some rain in North. Showers, sunny periods in Scotland.

London, S.E., Cent. S. England, E. Anglia, Midlands, Channel Is., E. Cent. N. England

Dry, sunny periods. Wind W. to S.W. Warm. Max. 25C (77F). S.W., N.W. England, S. and N. Wales

Dry, cloudy, brighter inland. Wind S.W., fresh. Max. 20C (68F).

Lake Dist., I. of Man, N.E. England, Borders, S.W. Scotland, N. Ireland

Cloudy, rain at times. Wind W. to S.W. Max. 19C (66F).

Edinburgh, Dundee, Aberdeen, Glasgow, Cent. Highlands, Moray Firth, Argyll

Cloudy, rain at first. Showers, sunny periods later. Wind W. Max. 18C (64F).

N.E. Scotland, Orkney, Shetland

Cloudy, rain at first, showers, sunny periods later. Wind W. moderate. Max. 15C (59F).

N.W. Scotland

Showers, sunny periods. Wind W. Max. 15C (59F).

Outlook: Mostly dry, sunny after rain in N. Warm, possibly thundery showers in S.

Lighting-up: London 21.29; Manchester 21.49; Glasgow 22.06; Belfast 22.06.

BUSINESS CENTRES

HOLIDAY RESORTS

S—Sunny. F—Fair. R—Rain. C—Cloudy. T—Thunder.

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